29 May 2014

HELICAL BAR PLC
(“Helical”/“Company”/“Group”)

Unaudited Preliminary Results
For the year to 31 March 2014

HELICAL HITS A MAIDEN CENTURY WITH £101.7M OF PRE-TAX PROFIT

Financial Highlights

Record financial performance and excellent shareholder returns

- Record profit before tax of £101.7m (2013: £5.0m)
- Total Property Return of 22.4% (2013: 6.3%) at £140.1m (2013: £35.9m)
  - Group’s share of net rental income up 22% to £29.8m (2013: £24.5m)
  - Development profits of £65.0m (2013: £7.0m)
  - Net gain on sale and revaluation of investment properties of £45.0m (2013: £4.4m)
- Adjusted diluted EPRA earnings per share of 47.4p (2013: 8.2p)
- Diluted EPRA net asset value per share up 18.6% to 313p (2013: 264p)
- Total Shareholder Return of 61.1% in the year to 31 March 2014 (2013: 28.4%)
- Final dividend proposed of 4.75p per share, an increase of 22% in the total dividend of 6.75p (2013: 5.55p)

Improving capital returns

- Unleveraged return of property portfolio as measured by IPD of 23.8% compared to 13.4% for the benchmark index
- Investment property valuations, on a like-for-like basis, up 8.9% (8.1% including sales and purchases) with London office valuations up 24.2% (18.6% including sales and purchases)
- Group’s share of property portfolio £802m (2013: £626m)

Strong financial position

- See-through loan to value of 46% (2013: 46%)
- Average maturity of the Group’s share of debt of 3.9 years (2013: 2.6 years) at an average cost of 4.5% (2013: 3.9%)
- Group’s share of cash and undrawn bank facilities at 31 March 2014 of £186m

Operational Highlights

Development portfolio delivering super profits and primed to continue

- Exceptional development profits totalling £62m received from sales at 200 Aldersgate, EC1 and Brickfields, White City, W12
- Joint venture financial partner signed for Creechurch Place, EC3 development; practical completion due in October 2016
- The Bower, 207 Old Street, EC1 being redeveloped with Phase 1 of 148,000 sq ft available in April 2015
- St Vincent Street, Glasgow under construction
- Phase 1 of development of Barts Square, EC1 on track to commence in January 2015

Growing investment portfolio generating excellent returns

- 8.1% portfolio valuation increase with 18.6% on London offices (including sales and purchases)
- Portfolio initial yield of 6.2% growing to 7.5% (reversionary)
- Acquisitions of c. £200m of assets (£189m plus costs) during the year with £70m of assets sold

Asset management enhancing returns

- Like-for-like rents up £0.4m driven by £2.0m of new lettings and rental increases of £0.1m, offset by losses at lease end or expiry of £1.7m
- Helical’s share of gross rent from the investment portfolio has increased to £37.3m (2013: £30.6m)

Nigel McNair Scott, Chairman, commented:

"In my statement in May 2013 I noted that I believed we were on the cusp of returning to delivering outperformance. These results are the vindication of that belief. Looking forward, our London development schemes at The Bower, Old Street, Barts Square, Maple House, Clifton Street, Creechurch Place and Hammersmith Town Hall provide comfort that, in the absence of a major economic downturn, and with an investment portfolio providing growing income and capital surpluses, the Company is well placed to continue to deliver outperformance and ongoing value for shareholders."

Michael Slade, Chief Executive, commented:

"We have had an outstanding year and are exactly where we planned to be. No doubt there will be a few blips along the way, but we remain positive on the prospects for our market place. We continue to focus on London offices and high yielding regional property for the investment portfolio whilst building out the London development programme. We remain highly focused, highly incentivised and confident in our prospects over the next two to three years."

For further information, please contact:

Helical Bar plc **020 7629 0113**
Michael Slade (Chief Executive)
Tim Murphy (Finance Director)

Address: 11-15 Farm Street, London W1J 5RS
Website: www.helical.co.uk

FTI Consulting **020 3727 1000**
Stephanie Highett/Dido Laurimore/Nina Legge

Full Year results presentation

Helical will be holding a presentation for analysts and investors at 9:30am (BST), Thursday 29 May 2014 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. If you would like to attend, please contact Kirsty Allan at FTI +44 (0) 20 3727 1015 or Kirsty.allan@fticonsulting.com

The presentation will be on the Company's website www.helical.co.uk and a conference call facility will be available. The dial-in details are as follows:

Participants, Local – London, United Kingdom: +44 (0) 20 3427 1910
Confirmation Code: 8283255

Financial Highlights

	Notes	Year To 31 March 2012	Year To 31 March 2013	Year To 31 March 2014
See-through Income Statement	1	**£m**	**£m**	**£m**
Net rental income		22.9	24.5	**29.8**
Development property profits		0.7	7.0	**65.0**
Trading property profits/(losses)		–	–	**0.3**
Gain on revaluation of investment properties		4.3	6.8	**36.4**
Gain/(loss) on sale of investment properties		(0.4)	(2.4)	**8.6**
Total property return		27.5	35.9	**140.1**
Profit before tax		7.4	5.0	**101.7**
EPRA earnings		4.0	2.8	**38.9**
Earnings Per Share and Dividends		**pence**	**pence**	**pence**
Basic earnings per share	2	6.5	5.0	**75.0**
Diluted earnings per share	2	6.5	5.0	**73.2**
Diluted EPRA earnings per share	2	3.4	2.4	**32.5**
Adjusted diluted EPRA earnings per share	3	3.8	8.2	**47.4**
Dividends per share paid in period		4.90	5.25	**5.70**
		At 31 March 2012	**At 31 March 2013**	**At 31 March 2014**
See-through Balance Sheet	4	**£m**	**£m**	**£m**
See-through property portfolio		572.7	626.4	**801.7**
See-through net borrowings		280.0	286.3	**369.6**
Net assets		253.7	253.8	**340.5**
Net assets per share, gearing and loan to value				
Diluted EPRA Net Asset Value per share		250p	264p	**313p**
See-through loan to value	5	49%	46%	**46%**
See-through net gearing	6	110%	113%	**109%**

Notes

1. Includes Group's share of income and gains of its subsidiaries and joint ventures. See Appendix 1.
2. Calculated in accordance with IAS 33 and guidance issued by the European Public Real Estate Association ("EPRA").
3. Diluted EPRA earnings per share adjusted for performance related awards.
4. Includes the Group's share of assets and liabilities of its subsidiaries and joint ventures. See Appendix 1.
5. See-through loan to value is the ratio of see-through net borrowings to see-through property portfolio. See Appendix 2.
6. See-through net gearing is the ratio of see-through net borrowings to net assets. See Appendix 2.

Chairman's Statement

Your Company has produced record results with pre-tax profits of £101.7m, the highest since it became a property company in 1984, 30 years ago. The total unleveraged return of its property portfolio, as measured by IPD, was 23.8%, compared to the IPD Universe of March valued funds of 13.4%.

Total property return increased by 290% to £140.1m (2013: £35.9m) and included continued growing rents of £29.8m (up 21.6% on 2013) and development profits of £65.0m (2013: £7.0m), a remarkable increase of 828%! Diluted EPRA net asset value per share increased by 18.6% to 313p (2013: 264p). Total Shareholder Return for the year to 31 March 2014 was 61.1%, compared to returns of companies in the FTSE 350 Real Estate Super Sector Return Index of 27.4% and for the wider UK Equity Market as a whole of 8.8%. These record results allow the Board to continue its progressive dividend policy and to recommend to shareholders a final dividend of 4.75p, an increase of 28% on 2013 (3.70p), taking the total for the year to 6.75p, an overall increase of 22% (2013: 5.55p).

This year's results reflect the culmination of many years' work on two very profitable schemes on which Helical acted as development manager. Details of the projects at White City, London W12 and 200 Aldersgate, London EC1 are set out later in this report but together they contributed £61.0m (2013: £1.0m) of the £65.0m development profit made by the Group during the year. Our decision to invest in the regions for income and in London for capital growth continues to create shareholder value with see-through net rents of £29.8m and gains on sale or revaluation of the investment portfolio of £45.0m, including an 18.6% valuation increase on our London assets. We now have an investment portfolio of over £600m of which 43% is in London and the remaining 57% in regional assets mainly, but not solely, held for income generation.

The expansion of the Company's activities by investing in London and the regions was financed by the proceeds of an £80m Retail Bond issued in June 2013, and bank facilities provided by our banking partners. Our business model is predicated on the basis that we are able to read and understand the real estate cycle. We use gearing on a tactical basis, being raised to accentuate property performance when property returns are judged to outperform materially the cost of debt. However, we remain nimble enough to reduce our exposure to the cycle at the appropriate time. Our medium to long term target for our loan to value, the ratio of net borrowings to the value of property, is 50% and at 31 March 2014 this ratio was 46% (2013: 46%).

The Group is well positioned to face the future with a sound financial base, having increased its income stream by replacing low growth assets with higher yielding retail properties, refinancing maturing debt with longer term bank facilities and reducing its exposure to any future interest rate rises by entering into hedging instruments, taking advantage of low interest rates. In addition, and with the backing of the major property lending banks, the Group has access to a number of new bank facilities which, when added to its cash balances, provides a level of liquidity and resources that enable it to continue to rebalance its portfolio. We believe that there are further opportunities in today's real estate market to add to the portfolio, boosting income returns and the potential for capital gains.

In my statement in May 2013 I noted that I believed we were on the cusp of returning to delivering outperformance. These results are the vindication of that belief. Looking forward, our London development schemes at The Bower, Old Street, Barts Square, Maple House, Clifton Street, Creechurch Place and Hammersmith Town Hall provide comfort that, in the absence of a major economic downturn, and with an investment portfolio providing growing income and capital surpluses, the Company is well placed to continue to deliver outperformance and ongoing value for shareholders.

Nigel McNair Scott, Chairman
29 May 2014

Chief Executive's Statement

"Helical aims to deliver market leading returns by acquiring higher yielding investment properties, applying a rigorous approach to asset management and deploying limited equity through a variety of different structures into development situations which have the potential to be highly profitable."

The first half of the financial year was dominated by the outstanding success of the projects at White City, London W12 and at 200 Aldersgate, London EC1. It would be wrong not to reflect on these results as both schemes illustrate the 'Helical model' of applying limited equity and hard work to create exceptional performance. To remind shareholders, these two projects resulted in a net cash receipt of £62m, an outstanding return on a total of £1.5m invested.

We acquired the 10 acre site south of the A40 at White City in joint venture with Aviva and worked with them over a number of years helping to create the vision for the Mayor's Opportunity Area, resulting in a resolution to grant planning permission for a 1.5m sq ft mixed use development. The site was sold to Imperial College in September 2013 crystallising the substantial profit payment.

The second significant transaction involved us working with Deutsche Pfandbriefbank on the refurbishment and letting of the 367,000 sq ft office and retail building at 200 Aldersgate, EC1. Last summer we completed the final letting and oversaw the sale of the building for £228m and, as a result, Helical received a substantial profit-share payment. My fellow directors Gerald Kaye and Matthew Bonning-Snook deserve recognition for these outstanding achievements.

Shareholders will recall that at the time of the 2012 accounts we undertook to augment our investment portfolio to 75% of the Company's assets, reducing the development/risk element of the business to 25%. I am pleased to report that we have achieved what we set out to do.

We also undertook at that time to divide the investment portfolio between investments in the regions (shopping centres, retail parks and logistics) chosen for high yields and income, and assets in central London to provide capital growth. I am pleased to report that by recycling our capital and taking advantage of the successful issue of an £80m retail bond last summer, we have been able to increase the size of our share of the property portfolio to over £800m. We have maintained the high yields from our regional investments and achieved an 18.6% capital gain from our investment assets in central London.

We are now turning our attention to our current development portfolio as it is these schemes, together with continuing capital gains in our investments that will drive the Company forward in the future. We are particularly pleased to have agreed a joint venture with HOOPP (Healthcare of Ontario Pension Plan) to develop speculatively the 272,000 sq ft office scheme in EC3, now renamed Creechurch Place. We are beginning construction this summer for delivery in Q4 2016.

We, in partnership with Crosstree Real Estate Partners, are now on site at our 396,000 sq ft office refurbishment at The Bower, Old Street, EC1. Further developments at Maple House, City Road, EC1 and Clifton Street, EC2 complete our programme in the burgeoning Shoreditch tech belt. At Barts Square, EC1, our scheme in partnership with Baupost, we are on track to start the first phase of 94 apartments in January 2015. Subsequent phases comprise two office buildings of 202,000 sq ft and 23,500 sq ft, a further 121 apartments and retail/A3.

Working jointly with Grainger, we have received planning consent for a mixed use development adjoining Hammersmith Town Hall that comprises offices for the Council, 196 apartments, a cinema, retail, restaurant and cafe space. At the same time, work on our 220,000 sq ft pre-let and pre-sold development for Scottish Power in Glasgow proceeds to plan. We live in a time of short supply in most sectors yet the improving economy is giving rise to strong occupational demand. Helical has been fortunate in timing its development acquisitions; all are well structured financially and we look forward to delivering and monetising these projects over the next few years.

We have had an outstanding year and are exactly where we planned to be. No doubt there will be a few blips along the way, but we remain positive on the prospects for our market place. We continue to focus on London offices and high yielding regional property for the investment portfolio whilst building out the London development programme. We remain highly focused, highly incentivised and confident in our prospects over the next two to three years.

It remains for me to thank all the members of the team for their outstanding efforts and also to express my thanks to the members of the Board, our bankers, the many professionals who have advised us so well and to you our shareholders.

Michael Slade, Chief Executive
29 May 2014

Strategies

Investment strategy
The investment portfolio, which is mainly let and income producing, has two main purposes:

- To provide a steady income stream to cover overheads, interest and dividends;
- To produce above average capital growth over the cycle to contribute to growth in the Group's net asset value.

We seek to achieve these aims through careful, disciplined selection of properties, including multi-let offices in London, shopping centres, industrial estates, regional offices and mixed-use portfolios. Our key aim, when undertaking this selection process, is to ensure that there is sustainable demand from potential occupiers for all of our assets. We aim to have a blend of London properties, where yields are lower but the potential for capital growth higher and properties outside London where surplus cash flow is greater.

We frequently refurbish and/or extend our properties to create value. We also work closely with tenants with the aim of maintaining maximum occupancy in our properties. Our relationship with tenants can lead to opportunities to increase value through re-gearing leases or moving tenants within a building as their respective businesses expand or contract.

We acquire properties where good management can enhance value rather than relying simply on market improvements.

Development strategy
The Group aims to limit the amount of equity that it deploys into development situations through a variety of different structures. The intention is to maximise the Group's share of profits in a development by leveraging the capital employed by the Group and with a view to managing the risks inherent in the development process. The Group employs a wide variety of approaches to development activities including:

- Participation in profit share situations where no equity investment is required, seeking to minimise our ongoing development fee to maximise our profit share so that our interests are completely aligned with our partners. In this way, for minimal equity commitments, we can benefit from a significant profit share if we contribute to a project's success by using our skills and experience through the entire development process. This participation method was used for the development at 200 Aldersgate, London EC1.

- Reduce up-front equity required by entering into conditional contracts or options. We use this approach at Creechurch Place and for our foodstore-led supermarket development programme, for example Shirley (where land is optioned or put under contract conditional on achieving planning permission and pre-let to a supermarket operator) thereby mitigating the risks of the developments.

- Co-investment alongside a larger partner where we have a minority equity stake, receiving a "waterfall" payment whereby we obtain a greater profit share than our percentage investment depending upon the profitability of the project. This strategy is used for the developments at Barts Square, The Bower, Creechurch Place and White City.

- Traditional forward funding, where the cost of the development overrun is borne by Helical as the developer for a commensurate profit participation. In such a case, the developer will have no equity invested but will underwrite a maximum build cost which bears the risk of costs being in excess of an agreed maximum construction price.

Our risk strategy
Risk is an integral part of any Group's business activities and Helical's ability to identify, assess, monitor and manage each risk to which it is exposed is fundamental to its financial stability, current and future financial performance and reputation. As well as seeing changes in our internal and external environment as potential risks, we also see them as being opportunities which can drive performance.

Risk management starts at Board level where the Directors set the overall risk appetite of the Group and the risk management strategies. Helical's management runs the business within these guidelines and part of its role is to act within these strategies and to report to the Board on how they are being operated.

The Group's risk appetite and risk management strategies are continually assessed by the Board to ensure that they are appropriate and consistent with the Group's overall strategy and with external market conditions. The effectiveness of the Group's risk management strategy is reviewed every six months by the Audit Committee and by the full Board.

The risks faced by the Group do not change significantly from year to year but their importance and the Group's response to them vary in accordance with changes in the internal and external environment. The Board considers not only the current situation but also potential future scenarios and how these might impact our business.

The Board has ultimate responsibility for risk within the business. However, the small size of our team and our flat management structure allows the Executive Directors to have close contact with all aspects of the business and allows us to ensure that the identification and management of risks and opportunities is part of the mindset of all decision makers at Helical.

The principal risks faced by the Group, and the steps taken by the Group to mitigate these risks, can be found in Appendix 5.

Performance

We measure our performance using a number of financial and non-financial key performance indicators ("KPIs").

We incentivise management to outperform the Group's competitors by setting appropriate levels for performance indicators against which rewards are measured. We also design our remuneration packages to align management's interests with shareholders' aspirations. Key to this is the monitoring and reporting against identifiable performance targets and benchmarks.

Investment Property Databank
The Investment Property Databank ("IPD") produces a number of independent benchmarks of property returns which are regarded as the main industry indices.

IPD has compared the ungeared performance of Helical's total property portfolio against that of portfolios within IPD for the last 20 years. The Group's annual performance target is to exceed the top quartile of the IPD database. Helical's ungeared performance for the year to 31 March 2014 was 23.8% (2013: 8.6%) compared to the IPD median benchmark of 13.4% (2013: 3.9%) and upper quartile benchmark of 15.4% (2013: 4.7%). Helical's portfolio unleveraged returns to 31 March 2014 were as follows:

	1 yr % pa	3 yrs % pa	5 yrs % pa	10 yrs % pa	20 yrs % pa
Helical	23.8	12.4	9.6	11.6	14.5
IPD	13.4	7.8	10.4	6.2	8.4
Helical's Percentile Rank	4	4	59	2	1

Source: Investment Property Databank.

Helical's trading and development portfolio (22% of gross assets) is shown in IPD at the lower of book cost or fair value and uplifts are only included on the sale of an asset.

EPRA Net asset value per share (pence)
A property company's share price should reflect growth in net assets per share. Our Group's main objective is to maximise growth in assets from increases in investment portfolio values and from retained earnings from other property related activities. Net asset value per share represents the share of net assets attributable to each ordinary share. Whilst the basic and diluted net asset per share calculations provide a guide to performance, the property industry prefers to use an EPRA adjusted diluted net asset per share. The adjustments necessary to arrive at this figure are shown in note 30 to these results.

Management is incentivised to exceed 15% pa growth in net asset value per share.

The diluted net asset value per share, excluding trading stock surplus, at 31 March 2014 increased by 33% to 288p (2013: 217p). Including the surplus on valuation of trading and development stock, the diluted EPRA net asset value per share at 31 March 2014 increased by 18.6% to 313p (2013: 264p). Diluted EPRA triple net asset value per share increased by 20.1% to 311p (2013: 259p).

Total Shareholder Return
Total Shareholder Return is a measure of the return on investment for shareholders. The table below demonstrates this return compared to various indices.

		Performance measured over						
		1 year Total return pa %	3 years Total return pa %	5 years Total return pa %	10 years Total return pa %	15 years Total return pa %	20 years Total return pa %	25 years Total return pa %
Helical Bar plc	1	61.1	14.0	7.5	9.8	12.2	13.0	12.0
UK Equity Market	2	8.8	8.8	16.4	8.6	4.7	7.7	8.8
Listed Real Estate Sector Index	3	27.4	14.4	21.5	4.8	6.3	6.7	5.2
Direct Property - monthly data	4	14.0	7.6	9.9	5.8	7.5	8.1	7.5

1 Growth to 31/03/14.
2 Growth in FTSE All-Share Return Index to 31/03/14.
3 Growth in FTSE 350 Real Estate Super Sector Return Index over 1 year, 3 years, 5 years and 10 years to 31/03/14. For data prior to 30 September 1999 FTSE All Share Real Estate Sector Index has been used.
4 Growth in Total Return of IPD UK Monthly Index (All Property) to 31/03/14.

Financial Review

Review of the year

These outstanding results, created by a combination of significant development profits, growing rental surpluses and revaluation gains on the investment portfolio, are reflected in shareholders' funds which increased by 34% in the year to 31 March 2014. This growth in the Group's balance sheet has enabled it to continue its rebalancing of the Group's property portfolio towards its intended 75:25 target balance between an income producing portfolio and non-income producing development stock. The Group's portfolio, including its share of property held in joint ventures, increased to £802m (2013: £626m), largely the result of investment property acquisitions during the year. This expansion of the Group's activities has been undertaken without increasing its loan to value, which remained at 46% (2013: 46%) and with a reduction in gearing to 109% (2013: 113%).

During the year the Group continued to lengthen and diversify its borrowings profile. New secured borrowings included a £75m revolving credit facility and a £100m investment facility, and these were supplemented by the issue of an unsecured retail bond, raising a further £80m. With the repayment of short term debt, these new sources of funding enabled the Group to extend its overall debt maturity profile to 3.9 years (2013: 2.6 years), albeit with an increased weighted average cost of debt of 4.5% (2013: 3.9%).

At 31 March 2014, the Group had unutilised bank facilities of c. £106m and c. £80m of cash. These facilities are available to fund the Group's retirement village programme, refurbishment works at Maple House, City Road EC1 and The Bower, Old Street EC1.

EPRA Earnings

Adjusted diluted EPRA Earnings per share, before performance related awards, increased by 478% to 47.4p per share (2013: 8.2p), reflecting increased development profits of £65.0m (2013: £7.0m) and the Group's share of net rental income of £29.8m (2013: £24.5m). After taking into account performance related bonuses and share awards of £17.9m (2013: £6.8m), EPRA Earnings per share was 32.5p (2013: 2.4p).

EPRA Earnings	31.03.13 £m	**31.03.14 £m**
Earnings as per note 12	5,867	**87,603**
Add: performance related awards	6,828	**17,860**
Add: adjustments as per note 12	(3,023)	**(48,669)**
Adjusted EPRA Earnings	9,672	**56,794**
Less: performance related awards	(6,828)	**(17,860)**
EPRA Earnings	2,844	**38,934**
Adjusted diluted EPRA Earnings per share	8.2p	**47.4p**
Diluted EPRA Earnings Per Share	2.4p	**32.5p**

EPRA Net Asset Value

Diluted EPRA net asset value per share increased by 18.6% to 313p per share (2013: 264p). This rise was principally due to a total comprehensive income of £86.7m (2013: £4.3m), less the reduction in the surplus on valuation of the trading and development stock of £27.5m (2013: £49.9m).

EPRA Net Asset Value	31.03.13 £m	31.03.13 per share p	**31.03.14 £m**	**31.03.14 per share p**
Diluted net asset value	257,242	217	**347,506**	**288**
EPRA Adjustments for:				
Fair value of trading and development stock, including in joint ventures	49,865		**27,479**	
Fair value of financial instruments	6,048		**(243)**	
Deferred tax	578		**2,444**	
Diluted EPRA net asset value	313,733	264	**377,186**	**313**

Income Statement
The main focus of the year was on targeting and working towards the many development milestones that were set in 2012 and 2013 and which had a substantial impact on the income statement for the year under review. Apart from these milestones, we continued to dispose of investment properties which had reached their short to medium term potential. We added to our investment portfolio with the acquisition of £200m (£189m plus costs) of property compared to £70m of sales.

Rental income and property overheads
Gross rental income receivable by the Group in respect of wholly owned properties increased by 16.2% to £30.0m (2013: £25.8m), mainly reflecting the acquisitions made throughout the year. The Group's share of gross rents receivable in joint ventures increased by 6.5% to £6.6m (2013: £6.2m). The see-through gross rents totalled £36.6m, an increase of 14.3% on 2013. After taking account of head rents payable on those properties held on long leases, and the costs of managing the assets, void costs and the amortisation of annual letting costs, see-through net rents increased by 22.0% to £29.8m (2013: £24.5m). Bad debts from tenant administrations and failures fell to 0.4% of gross rents (2013: 2.4%).

Development programme
Turning to the development programme, the letting and sale of 200 Aldersgate, London EC1 by Deutsche Pfandbriefbank and the sale of a 10 acre site at White City, London W12 by our joint venture partner Aviva, realised total development profits of £62.0m, of which £1.0m had been recognised last year. The retail schemes at Leisure Plaza, Milton Keynes and Shirley, West Midlands, contributed £2.2m of profit whilst our retirement village development programme contributed profits of £1.5m from continued sales at Bramshott Place, Liphook and from the first completions at Durrants Village, Faygate. Development management fees from our schemes at Glasgow, Barts Square and Riverbank House contributed a further £0.6m and improving land values allowed us to write back provisions of £0.5m. Set against these profits were the costs of our Polish operation of £0.6m, resulting in the Group's share of net development profits being £65.0m (2013: £7.0m).

Share of results of joint ventures
As mentioned above, Helical has increasingly sought to acquire larger assets in joint ventures with property funds that provide the majority of the equity required to purchase the assets, whilst relying on the Group to provide the asset management or development expertise. These joint ventures include our share of the investment properties at Clyde Shopping Centre, Clydebank; Barts Square, London EC1 and The Bower, 207 Old Street, London EC1, and our development schemes at Europa Centralna, Gliwice, Poland; Shirley Town Centre, West Midlands; Leisure Plaza, Milton Keynes and King Street, Hammersmith. Detailed analysis of the financial position of our share of these joint ventures is provided in note 16 to this report and the see-through analysis in Appendix 1. In the year under review, net rents of £5.4m (2013: £4.9m) were received, offset by net finance costs of £2.5m (2013: £2.2m). A gain on revaluation of the investment portfolio of £15.7m (2013: £3.1m), primarily arose in respect of Barts Square and Old Street. Net of taxes, our joint ventures contributed £16.4m (2013: £3.9m).

Administration costs
Administration costs, before performance related awards, increased by 9%, from £8.1m to £8.8m, mainly arising from costs incurred in connection with the proposed move of the Company's head office.

Performance related share awards and bonus payments increased to £15.7m (2013: £6.0m) for the year. Of this amount, the £6.3m (2013: £1.9m) charge for share awards under the Performance Share Plan is expensed through the Income Statement but added back to shareholders funds through the Statement of Changes in Equity. The £9.4m (2013: £4.1m) accrual for bonus payments comprises £5.1m (2013: £2.7m) which will be paid in June 2014, £2.9m (2013: £0.8m) which will be carried forward to next year in accordance with the terms of the Annual Bonus Scheme 2012 and £1.4m (2013: £0.6m) which will be paid in deferred shares to be held for a minimum of three years. In addition, National Insurance of £2.2m (2013: £0.8m) has been accrued in the year.

	2013 £000	**2014** **£000**
Administration costs	8,092	**8,816**
Share awards	1,864	**6,333**
Directors and senior executives bonuses	4,130	**9,357**
NIC on share awards and bonuses	834	**2,170**
Total	14,920	**26,676**

Finance costs, finance income and derivative financial instruments
Interest payable on bank loans including our share of loans on assets held in joint ventures but before capitalised interest increased to £17.3m (2013: £12.7m), reflecting the increased debt taken on to finance the expansion of the Group's investment activities. Capitalised interest increased from £2.5m to £2.8m as development schemes progressed. Other interest payable increased from £1.7m to £2.5m. As a consequence of these movements, total finance costs increased by £5.2m from £11.8m to £17.0m. Finance income earned on cash deposits of £1.8m (2013: £0.9m) was boosted by the £2.9m profit realised on the purchase of a loan at fair value.

Derivative financial instruments have been valued on a mark to market basis and a credit of £5.3m (2013: charge of £2.6m) has been recognised in the Income Statement.

Taxation
The deferred tax asset is principally derived from tax losses which the Group believe will be utilised against profits in the foreseeable future.

Investment portfolio
The issue of the £80m Retail Bond and development receipts of £62m, together with sales of over £70m of investment assets, where our asset management initiatives were completed, provided funds, net of loan repayments, for £200m of acquisitions and value enhancing capital expenditure. The sales of the investment assets generated a profit of £8.6m (2013: loss of £2.4m).

The £200m of additions to the investment portfolio, net of the £48m book value of sales, together with a transfer of £9m from trading stock and added to the revaluation surplus of £21m, increased the value of the wholly owned investment properties from £312m to £493m. In joint venture the revaluation surpluses at Clydebank, Barts Square and The Bower at Old Street of £15.7m increased our share of the investment portfolio held in joint ventures to £107.5m. Together, the Group's share of the total investment portfolio, on a see-through basis, increased from £407m to £601m.

Debt and financial risk
In total, Helical's outstanding debt at 31 March 2014 of £454.4m had an average maturity of 3.9 years (2013: 2.6 years) and a weighted cost of 4.5% (2013: 3.9%).

Debt profile at 31 March 2014 – excluding the effect of arrangement fees

	Total Facility £000's	Total Utilised £000's	2015 £000's	2016 £000's	2017 £000's	2018 £000's	2019+ £000's
Investment facilities	308,431	256,444	548	10,404	74,712	101,900	68,880
Development and site holding facilities	72,500	43,937	-	3,666	28,752	-	11,519
Retail Bond	80,000	80,000	-	-	-	-	80,000
Short term working capital facilities	10,728	727	727	-	-	-	-
	471,659	381,108	1,275	14,070	103,464	101,900	160,399
Joint venture bank facilities	89,528	73,282	12,453	18,000	-	42,829	-
Total see-through debt	561,187	454,390	13,728	32,070	103,464	144,729	160,399

The Group arranges its bank borrowings to suit its investment and development intentions as follows:

Investment facilities
These are typically for four to five years, financing the Group's investment portfolio and a fully let retail development at Wroclaw in Poland with loan to value and income covenants. The value of the Group's properties secured on these facilities at 31 March 2014 was £486,280,000 (2013: £319,035,000) with a corresponding loan to value of 53% (2013: 63%). The average maturity of the Group's investment facilities at 31 March 2014 was 3.7 years (2013: 3.6 years).

Development and site holding facilities

These facilities finance the construction of the retirement villages at Durrants Village, Horsham, Maudslay Park, Great Alne and Millbrook Village, Exeter. They also include site holding facilities at Telford and fund the holding of the completed developments at Hedge End, Southampton and Ropemaker Park, Hailsham. The average maturity of the Group's development and site holding facilities at 31 March 2014 was 3.0 years (2013: 1.9 years).

Retail Bond

In June 2013, the Group raised £80m from the issue of an unsecured Retail Bond with a 6.00% coupon. This bond is repayable in June 2020. Initially, the net proceeds were used to repay secured bank borrowings which were subsequently re-drawn, under the terms of our revolving credit facilities, to fund additions to our investment portfolio.

Short term working capital facilities

These facilities provide working capital for the Group.

Joint venture bank facilities

As noted above we hold a number of investment and development properties in joint venture with third parties and include in the above table our share, in proportion to our economic interest, of the debt associated with each asset. Of the amount due to be repaid in the year to 31 March 2015, £11.7m is in respect of the investment holding facility for Barts Square, and timed for a potential redevelopment of the site in 2015. In April 2015, our investment facility on the Clyde Shopping Centre, Clydebank, is repayable. During the year we agreed a new three year facility to January 2017 providing finance for the first phase of the redevelopment of The Bower. We also converted our development facility at Europa Centralna, Gliwice, into an investment facility, repayable in September 2017. The average maturity of the Group's share of bank facilities in joint ventures at 31 March 2014 was 2.5 years (2013: 2.4 years).

Cash and cash flow

At 31 March 2014, the Group had over £186m (2013: £80m) of cash and agreed, undrawn, committed bank facilities including its share in joint ventures as well as £82m (2013: £27m) of uncharged property on which it could borrow funds.

Net borrowings and gearing

Net borrowings held by the Group have increased during the year from £222.9m to £312.8m. Including the Group's share of net debt of its joint ventures the Group's share of total net debt has increased from £286.3m to £369.6m.

Net borrowings and gearing	2012	2013	**2014**
Net borrowings – Group	£227.8m	£222.9m	**£312.8m**
Net borrowings – Including joint ventures	£280.0m	£286.3m	**£369.6m**
Net assets	£253.7m	£253.8m	**£340.5m**
Gearing – Group	90%	88%	**92%**
Gearing – Including joint ventures	110%	113%	**109%**

Hedging

At 31 March 2014 the Group had £291.5m (2013: £135.6m) of fixed rate debt with an average effective interest rate of 4.77% (2013: 4.34%) and £84.6m (2013: £124.1m) of floating rate debt with an average effective interest rate of 3.48% (2013: 3.31%). In addition, the Group had £132.0m of interest rate caps at an average of 4.0% (2013: £82m at 4.00%). In the joint ventures, the Group's share of fixed rate debt was £29.6m (2013: £27.5m) with an average effective interest rate of 6.03% (2013: 5.12%), and £43.6m (2013: £45.8m) of floating rate debt with an effective rate of 3.33% (2013: 3.76%). In addition, the joint ventures benefited from £49.0m (2013: £51.5m) of interest rate caps at an average of 5.01% (2013: 5.00%).

Interest cover

In assessing the results of the Group for each financial year, Helical considers its interest cover as a measure of its performance and its ability to finance its annual interest payments from its net operating income, before revaluation gains or losses on the investment portfolio and net realisable provisions on the trading and development stock. In the year to 31 March 2014, this interest cover was 8.3 times (2013: 2.7 times).

	2013 £000	**2014** **£000**
Net operating income	29,686	**103,174**
See-through net finance costs	10,893	**12,366**
Interest cover	2.7x	**8.3x**

Tim Murphy
Finance Director
29 May 2014

Helical's Property Portfolio – 31 March 2014

Investment portfolio (Helical's share)

Project Type	Book Value £m	% of Investment Portfolio (book value)
London office	259.2	43.1
Regional office	76.1	12.7
Industrial	12.4	2.1
Retail	245.6	40.9
Retirement Villages	7.4	1.2
Total	600.7	100.0

Trading and development portfolio (Helical's share)

Project Type	Book Value £m	Fair Value £m	Surplus £m	% of Development Portfolio (fair value)
London office	15.4	21.4	6.0	10.7
Retail	25.1	27.2	2.1	13.5
Industrial	0.3	0.4	0.1	0.2
Mixed Use	2.9	2.9	-	1.4
Change of Use	4.9	8.3	3.4	4.1
Retirement Villages	64.6	80.5	15.9	40.1
Poland	60.3	60.3	-	30.0
Total	173.5	201.0	27.5	100.0

Note: the table above includes the Group's share of development properties held in joint ventures.

Investment Portfolio Overview

Investment portfolio overview
Our c. £600m investment portfolio provides income to cover all operational and finance costs and dividends. We have a strong focus on asset management, maximising net operating income and working closely with our tenants.

Our goal (over recent years) has been to have 75% of our portfolio in investment properties and 25% in development properties, blending stable recurring income with exposure to potentially superior profitability in developments. We now have 75% of our assets in investment properties and, having realised our stated goal, we will look to retain this balance going forward.

Our income stream is diverse and secure with no tenant accounting for more than 5.4% of the rent roll. Our average weighted unexpired lease term is 7.2 years (2013: 6.4 years).

The income stream has grown steadily since 2010 and is highly reversionary. The passing rent from our investment portfolio is £37.7m (2013: £28.7m) and the estimated rental value of our portfolio £45.6m (2013: £32.4m) (Helical's share). This reversionary income will be captured through letting vacant units and rent reviews.

Through judicious buying of under-rented buildings in growth areas, securing lettings and undertaking refurbishments, we aim to generate substantial capital growth in our property values.

Asset management
During the year contracted income increased by £0.37m as a result of new lettings and rent reviews, net of any losses from breaks and expiries (2013: £0.38m).

There was significant activity within the investment portfolio with a lease event on nearly 200 leases.

We concluded £2.0m of new lettings and renewals (6.0% rent roll) and benefitted from uplifts at rent reviews of £0.12m, offsetting the loss of rent at lease end or break (3.7% rent roll) and a further £0.35m through tenant administrations (0.9% rent roll).

Rent lost at break/expiry	-£1.4m
Rent lost to administrations	-£0.35m
Rent reviews	£0.12m
Lease renewals and new lettings	£2.0m
Total change	£0.37m

Overall we have seen good letting demand across the portfolio, reducing our vacancy rate from 5.7% (31 March 2013) to 4.6%. We have seen strong take up and rental growth in our London office portfolio with estimated rental values increasing by 7.3% in the year for our London portfolio (excluding Barts Square and The Bower at Old Street which will be redeveloped).

Sales and acquisitions
There has been significant sales and purchase activity reflective of an increasingly buoyant property market. Since 31 March 2013 we have sold £156.7m of property (2013: £50.8m) (Helical's share). Significant sales include Battersea Studios for £35.0m, TK Maxx in Cardiff for £14.8m and Asda in Clydebank for £12.1m (Helical's share £7.3m), as well as our successes at 200 Aldersgate and White City.

We completed £11.7m of sales from our retirement village portfolio.

We have been extremely active acquiring properties over the year, made possible through profits realised from 200 Aldersgate and White City and with funds raised from the retail bond. Reflecting our strategy of acquiring higher yielding assets outside London for cashflow and lower yielding assets in London for capital growth, significant acquisitions included Enterprise House, Paddington for £30.75m; New Loom House, Whitechapel for £34.2m; Maple House, City Road for £17.55m; Artillery Lane, City of London for £6.8m; Huddersfield Retail Park for £17.0m; Churchgate and Lee House, Manchester for £34.0m and a mixed use office, industrial and retail portfolio known as the Quartz portfolio for £48.6m.

Total acquisitions for the year were £199.9m (2013: £60.8m).

Future Investment Acquisitions
The market is increasingly competitive both in and outside London although we continue to find good value in our core markets as demonstrated by purchases in Manchester (for £34m) and, post year end, the Constellation portfolio comprising 10 industrial and office properties for £40m.

Investment Portfolio Statistics

The following refers to Helical's share of the investment portfolio.

Portfolio yields

	Initial yield %	Reversionary %	Yield on letting voids %	Equivalent yield (AiA) %
Industrial	8.7	10.8	9.2	9.0
London offices	4.2	6.7	6.0	6.1
Regional offices	7.5	8.6	8.2	8.1
Retail	7.2	7.9	7.6	7.5
Total portfolio	**6.2**	**7.5**	**7.1**	**7.1**

Valuation movements, portfolio weighting and changes to rental values

	Weighting %	Valuation increase/(decrease) %	ERV change since Mar 2013 %
Industrial	1.8	5.3	-
London offices	44.2	18.6	7.3
Regional offices	11.8	1.2	-
Retail	40.9	0.4	-0.5
Other	1.3	21.9	-
Total	**100.0**	**8.1**	**2.1**

Note: includes sales, purchases and capex.

Capital values, vacancy rates and unexpired lease terms

	Capital value psf £	Vacancy rate by area %	Average unexpired lease term (years)
Industrial	51	1.0	10.2
London offices	332	0.6	6.1
Regional offices	146	17.8	7.4
Retail	129	3.5	7.6
Total	**185**	**4.6**	**7.2**

Note: Vacancy excludes properties held vacant for redevelopment (e.g. Maple House).

Lease expiries or tenant break options

	2014	2015	2016	2017	2018
% of rent roll	9.9	9.6	13.9	11.8	9.8
Number of leases	117	91	101	71	79
Average rate per lease (£)	32,600	40,400	52,800	63,900	47,500

We have a strong rental income stream and a diverse tenant base, with no single tenant accounting for more than 5.4% of the rent roll. The top 10 tenants account for 25.2% of the total rent roll and the tenants come from diverse industries.

Rank	Tenant	Tenant industry	Rent roll %
1	Network Rail	Infrastructure	5.4
2	Endemol	Media	4.1
3	Barts and the London NHS Trust	Government	3.2
4	Nicholl Food Packaging	Manufacturing	2.0
5	Capita	Professional Services	2.0
6	Curzon Estates	Manufacturing	2.0
7	Economic Solutions	Government	1.8
8	Thames Water	Infrastructure	1.6
9	Homebase	Retail	1.6
10	Somerfield	Retail	1.5
Total			**25.2**

The total rent roll has increased from £30.6m in March 2013 to £37.3m in March 2014.

Principal Investment Properties

Retail

Our strategy is to acquire multi-tenanted properties where there is significant opportunity to increase net operating income and capital values. We acquire properties with rents which are low compared to equivalent buildings, providing scope for rental growth. We spend a considerable amount of time talking to our tenants both prior to acquiring properties and during the course of our ownership to ensure that the space they occupy continues to be fit for their purpose.

Corby Town Centre, Corby

This asset, comprising nearly 40 acres, is virtually the entirety of the commercial centre of Corby. It was acquired in 2011. Anchor tenants include Primark, TK Maxx, H&M, Argos and Wilkinsons. A number of projects are underway including extending units, conversion of vacant offices to residential and a new gym.

The Morgan Quarter, Cardiff

Acquired empty in 2005 this asset was comprehensively refurbished and let to retailers including Urban Outfitters, TK Maxx and Molton Brown. Since the opening of St Davids 2 in 2009, The Hayes has become one of Cardiff's principal retailing pitches. During the year we sold the TK Maxx unit which formed part of our estate for £14.8m, a 5.75% net initial yield. We have concluded a number of rent reviews on The Hayes with positive outcomes and let a number of units in the Arcades. Phase 1 of our conversion of the vacant upper parts of the centre to offices is complete and fully let and phase 2 is well underway further enhancing net operating income.

Clyde Shopping Centre, Clydebank

This asset, which comprises the majority of the town's retail offer, was acquired in 2010 in joint venture with a private investor. The Group has a 60 percent economic interest in the centre and undertakes all of the asset management activities. During the year we sold the Asda unit for £12.1m, representing a 5.15% net initial yield. Work is close to completion on an extension for Pure Gym which will add to the leisure offer in the town.

Huddersfield Retail Park

This fully let retail park was acquired during the year. Tenants include Aldi, Matalan and Dunelm.

London Offices

The Bower, 207 Old Street, EC1

This 3.12 acre asset was acquired in November 2012 for £60.8m in joint venture with Crosstree Real Estate Partners LLP (Helical interest 33.3%). The site is in the heart of the Shoreditch Tech Belt, an area of London which is a hub for technology, media and telecommunications companies and which is benefitting from substantial investment in infrastructure.

Since acquisition, a planning consent has been obtained to increase the floor space on the site by 106,000 sq ft, to refurbish existing areas and significantly upgrade the public realm with the creation of a new pedestrian street.

Building work started on Phase 1 in January 2014 comprising The Warehouse, 127,746 sq ft and The Studio, 22,346 sq ft, and is due for completion in April 2015. During this process rental income is still being received on the retail parade and the office building at 207 Old Street. The basement area under the retail parade has been let to Gym Box at a rent of £150,000 pa, who will be carrying out their own fit out work.

Phase 2, comprising The Tower, 171,900 sq ft, is due to commence in Q2 next year.

Empire House has been pre let to Z Hotels at a rent of £650,000 pa and they are carrying out their own refurbishment and fit out works due for completion in April 2015. The remaining ground floor space in this building is under offer to a restaurant.

Shepherds Building, Shepherds Bush, W14
This 151,000 sq ft multi-let office building close to Westfield shopping centre maintains an occupancy approaching 100%, as it has for seven consecutive years. The refurbishment of the common parts including new receptions and café/bar is almost complete, enhancing tenant amenities. Significant rental growth is beginning to be seen with ERV now between £35.00 psf and £37.50 psf compared to a current average rent of £25.00 psf.

Enterprise House, Paddington W2
This freehold property adjacent to Paddington Rail Station was acquired on a sale and lease back agreement from Network Rail, which holds a 20 year lease without breaks.

New Loom House, Whitechapel E1
This 112,000 sq ft listed building was acquired during the year. Plans are being developed for a refurbishment of the reception and common parts, including the provision of a café/bar.

Strong rental growth is already being achieved from a starting point of average rents of £18.50 psf. Further increases in rents are anticipated as the opening of Crossrail approaches.

Clifton Street, Shoreditch EC2
Helical has exchanged contracts to acquire this 43,000 sq ft office building upon completion of its construction anticipated for summer 2015. The building is located in Shoreditch, which is experiencing strong occupier demand from technology and media tenants.

Barts Square, EC1
In joint venture with The Baupost Group LLC (Baupost 66.7%, Helical 33.3%), we own the freehold interest in land and buildings at Bartholomew Close, Little Britain and Montague Street, a 3.2 acre site adjacent to the new Barts Hospital and just south of Smithfield Market. The current buildings comprise 420,000 sq ft let to the NHS for circa £3.5m per annum on a number of short term leases that expire between 2014 and 2016.

Planning consent has been obtained for a comprehensive redevelopment of 19 buildings to provide a total of 215 residential apartments, two office buildings of 202,000 sq ft and 23,500 sq ft, 21,800 sq ft of retail /A3 at ground floor as well as major public realm improvements, which will be incorporated into the wider Smithfield Area Strategy being worked up by the City.

Phase 1, comprising 94 residential units, is due to commence in January 2015.

Maple House, 37-45 City Road, EC1
Maple House is an existing 50,000 sq ft office building in London acquired in June 2013. Planning permission was obtained during the year for a complete refurbishment of the building, which will comprise a new additional floor and extensions to the third floor, landscaped courtyard and entrance pavilion to the rear and changes to the façade to improve light to the lower floors. Works have commenced and are due to complete by Q2 2015.

Development Programme

The focus of the Group over the last year has been on achieving the milestones set a year ago.

Property	Asset category	Milestone	Progress during the year
200 Aldersgate, EC1	Development management role	Secure profit share	Completed
Creechurch Place, EC3	Development asset	Pre-let or financial partner	Demolition completed, financial partner signed
Brickfields, White City W12	Development management and co-investment role	Secure profit share	Completed
King Street, Hammersmith, W6	Development asset	Obtain planning consent	Planning obtained
St Vincent Street, Glasgow	Development management role	Start construction	On site
Helical Retail Projects	Development asset	Conditional purchases	Ongoing
Europa Centralna, Gliwice	Development asset	Let remaining space	95% let in shopping centre, 80% let in retail park

Central London

200 Aldersgate Street EC1

Helical was appointed asset and development manager by Deutsche Pfandbriefbank in May 2010. The brief was to refurbish and let this office building, vacant since 2005 when the previous tenant, Clifford Chance, relocated to Canary Wharf. The reception areas and common parts were redesigned and the atrium re-clad, creating a "vertical village" for office users comprising a variety of floor-plates to suit a range of different occupiers, as well as exceptional tenant facilities, including a concierge, cycle store and changing facility service, an on-site gym and a café and business lounge. Refurbishment works were completed in January 2011 when the building was re-launched. The building comprises 348,000 sq ft of offices, 19,810 sq ft of retail and 39,317 sq ft of basement leisure space. By June 2013 we had let 338,000 sq ft of office space, 9,000 sq ft of retail and the whole of the basement space to Virgin Active, and the building was sold to clients of Ashby Capital in September 2013. This sale triggered our development management profit share.

Creechurch Place (formerly Mitre Square) EC3

Creechurch Place, London EC3 (formerly Mitre Square) is a landmark City office scheme in the heart of the insurance sector in London. During the year we completed the purchase of 1 Mitre Square and extended our conditional purchase agreement with the City for the adjoining site. Demolition has been completed to facilitate the construction of a new building comprising 271,000 sq ft NIA of offices and 2,000 sq ft of retail. In May 2014, we signed a joint venture agreement with HOOPP (Healthcare of Ontario Pension Plan Trust Fund) to redevelop the site. Under the terms of the joint venture, HOOPP and Helical will jointly fund the project on a 90:10 split, with Helical acting as development manager, for which it will receive a promote payment depending on the successful outcome of the scheme. It is anticipated the completed development will have a capital value of circa £250m.

West London

Brickfields, White City W12

In joint venture with Aviva, we obtained a resolution to grant planning permission for a residential-led mixed use scheme on a 10 acre site immediately adjacent to White City underground station. The Eric Parry designed master plan comprises c. 1.25 million sq ft of residential, 210,000 sq ft of commercial and 60,000 sq ft of retail, leisure and community uses. In May 2013, contracts were exchanged for the sale of the site and completion of the sale took place in September 2013, triggering our profit share.

King Street, Hammersmith W6

King Street, Hammersmith is a mixed use scheme, in joint venture with Grainger plc, for the regeneration of the west end of King Street. Following submission of revised plans we obtained a resolution to grant planning in November 2013, following which planning permission was granted when the Section 106 Agreement was signed in April 2014. The redevelopment will provide 196 high quality new homes; a three screen cinema to be operated by Curzon; new retail, restaurant and café space; replacement offices for the Council and a new public square.

Out of London Offices

St Vincent Street, Glasgow

In partnership with local development partner, Dawn Developments Ltd, Helical is the development manager for the construction of the new headquarters of Scottish Power at St Vincent Street, Glasgow. The completed building will comprise circa 220,000 sq ft of prime office space in the heart of the City's commercial district. Funded by M&G Investments, the scheme is under construction and due to be completed in July 2015. Scottish Power may also look to involve Helical in delivering the fit out of their office spaces. As part of the overall deal, Helical is taking on three existing Scottish Power sites which are surplus to requirements.

Retail

Parkgate, Shirley, West Midlands

The Shopping Centre at Parkgate, Shirley, where we have a 50% interest has completed on site and the 80,000sq ft Asda together with a number of other retailers have opened successfully for trade. The space beyond the food-store is 66% pre-let to occupiers such as Peacocks, 99P Stores, Pizza Express, Wetherspoons, Prezzo and Shirley Library. Two residential sites have been sold to provide 97 private and extra-care units and six apartments and eight townhouses are being built out directly with a final phase to follow later in the year.

A second phase residential scheme is being put together on a site of 10 acres opposite the Parkgate scheme and a Planning Application is likely to be submitted later this year.

Leisure Plaza, Milton Keynes

Leisure Plaza is a 50:50 joint venture with Abbeygate Developments. The site has consent for an 80,000 sq ft supermarket, 33,000 sq ft of Open A1 retail and the refurbishment of the existing ice rink. The supermarket has been pre-let to Morrisons on a long lease and pre-sold to Aviva Investors' Lime Property Fund for circa £40m, a headline yield of 4.25%. The joint venture has realised a profit of circa £1.6m on the sale of the land to the fund and should make a further profit over the course of the development, which is due to complete in Q4 2014. We have recognised £2.0m of development profit (our share) during the year.

Truro

In Truro we have entered into a Conditional Purchase Agreement on the six acre Truro City Football Club site and a Planning Application is being worked up for a 78,000 sq ft non-food retail park. There are a healthy number of requirements from retailers not currently represented in Truro. The scheme proposals will provide for the relocation of the football club.

Cortonwood

Planning consent has been secured at Appeal and marketing is in hand for an 80,000 sq ft Open A1 non-food retail park. A start on site is anticipated in the first half of 2015. Strong interest has been received from high quality retailers.

Kingswinford

A conditional contract has been secured on a site owned by Ibstock and a Planning Application for a 60,000 sq ft non food scheme is to be submitted in the Autumn. The development will provide the function of a district centre to the large number of new homes being built in the locality.

Park Handlowy Mlyn, Wroclaw

Wroclaw is a large city in West Poland, some 100km from the German border and 470km south of Warsaw. This 9,600 sq m (103,000 sq ft) out of town retail development was completed in December 2008 and is fully let to a number of domestic and international retailers including Sports Direct, T K Maxx, Media Expert, Makro, Deichmann, Smyk, Komfort and others.

Europa Centralna, Gliwice

This retail park and shopping centre was built in 50:50 joint venture with clients of Standard Life. The scheme is situated to the south of Gliwice at the intersection of the A4 and A1 motorways. This highly visible scheme has good accessibility and is becoming a major regional shopping destination. It comprises approximately 66,000 sq m (720,000 sq ft) of retail space, incorporating three distinct parts, being a foodstore, DIY and household goods and fashion. The scheme is now over 85% let to Tesco, Castorama, H & M, Media Saturn, Sports Direct, Jula and others. Construction completed in February 2013 and the scheme opened on 1 March 2013. The sale of 50% in 2011 includes a provision that we will sell the remaining ownership stake two years after the date of completion of the development to the same clients of Standard Life, which is expected to complete by March 2015.

Retirement Villages

A retirement village is a private residential community in which active over-55s are able to live independently in retirement. Residents have typically down-sized from a larger family home into a cottage or apartment which ensures no maintenance or security issues.

With access to a central clubhouse containing a bar and restaurant facilities, health and fitness rooms and surrounded by maintained grounds, this retirement option is proving increasingly popular.

Bramshott Place, Liphook, Hampshire

The original Bramshott Place Village was an Elizabethan mansion built in 1580, although now only the original Grade II listed Tudor Gatehouse remains, which we have fully restored. The land and buildings were derelict when Helical acquired them in 2001. Changing planning from its previously designated employment use to a retirement village took several years but was eventually achieved in 2006.

The development of 151 cottages and apartments, and the new clubhouse, has completed. To date, we have sold 138 units, with reservations on a further five units, with just nine units, mainly apartments, left to sell.

Durrants Village, Faygate, Horsham, West Sussex

Durrants Village, a 30 acre site, had operated as a sawmill with outside storage for many years. We were granted planning permission, at appeal, in May 2009 where the Inspector allowed a development comprising a retirement village of 148 units, eight affordable housing units, a 50 bed residential care home and a central facilities clubhouse building. Following changes to the scheme the development will be for 171 units. The first phase (48 units) started in May 2012 for the construction of the retirement village and clubhouse and we have sold nine units, exchanged on one further sale and have reservations on 12 units with up-field reservations on a further 12 units in future phases.

Maudslay Park, Great Alne, Warwickshire

This is a Green Belt site which has 320,000 sq ft of built footprint and benefits from Major Development Site planning policy. Covering 82 acres, this site received outline planning permission in April 2011 for a retirement village of 132 units plus 47 extra care units. Demolition and enabling works have completed and construction started in April 2014. We have reservations on five units.

Millbrook Village, Exeter

This 19 acre site was acquired in 2007 from the St Loye's Foundation, a long established rehabilitation college in the city of Exeter. Resolution to grant planning permission was obtained in October 2009 for a retirement village of 206 units, a 50 bed residential care home, an affordable extra-care block of 50 units and a central facilities clubhouse building. Demolition, site clearance and archaeological survey work have been completed. In 2011 we received planning consent for 63 open market housing units on part of the site and sold this part in summer 2012. Construction of a 164 unit retirement village and clubhouse in phases on the remainder of the site commenced in October 2013 and we have reservations on 17 units.

Consolidated Income Statement

For the year ended 31 March 2014	Note	**Year ended 31.3.14 £000**	Year ended 31.3.13 £000
Revenue	2	**123,637**	65,439
Net rental income	3	**24,402**	19,578
Development property profit	4	**62,825**	6,956
Trading property profit/(loss)	5	**252**	(1)
Share of results of joint ventures	16	**16,448**	3,854
Other operating income/(expense)		**230**	(547)
Gross profit before net gain on sale and revaluation of investment properties		**104,157**	29,840
Net gain on sale and revaluation of investment properties	6	**29,325**	1,335
Impairment of available for sale assets	18	**(88)**	-
Gross profit		**133,394**	31,175
Administrative expenses	7	**(26,676)**	(14,920)
Operating profit		**106,718**	16,255
Finance costs	8	**(13,983)**	(9,577)
Finance income	8	**4,135**	887
Change in fair value of derivative financial instruments		**5,312**	(2,573)
Foreign exchange (losses)/gains		**(501)**	17
Profit before tax	2	**101,681**	5,009
Taxation on profit on ordinary activities	9	**(14,126)**	815
Profit after tax		**87,555**	5,824
– attributable to equity shareholders		**87,603**	5,867
– attributable to non-controlling interests		**(48)**	(43)
Profit for the year		**87,555**	5,824
Basic earnings per share	12	**75.0p**	5.0p
Diluted earnings per share	12	**73.2p**	5.0p

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2014	Note	**Year ended 31.3.14 £000**	Year ended 31.3.13 £000
Profit for the year		**87,555**	5,824
Other comprehensive income			
Items that will not be reclassified subsequently to the Income Statement			
Impairment of available-for-sale investments	18	**(936)**	(1,304)
Items that will be reclassified subsequently to the Income Statement			
Exchange difference on retranslation of net investments in foreign operations		**51**	(212)
Total comprehensive income for the year		**86,670**	4,308
– attributable to equity shareholders		**86,718**	4,351
– attributable to non-controlling interests		**(48)**	(43)
Total comprehensive income for the year		**86,670**	4,308

Consolidated and Company Balance Sheets

As at 31 March 2014	Note	**Group 31.3.14 £000**	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Non-current assets					
Investment properties	13	**493,201**	312,026	**–**	–
Owner occupied property, plant and equipment	15	**1,050**	1,153	**949**	980
Investment in subsidiaries		**–**	–	**36,584**	36,945
Investment in joint ventures	16	**62,980**	49,890	**15**	15
Derivative financial instruments		**1,867**	146	**315**	52
Trade and other receivables	19	**7,673**	6,325	**–**	–
Deferred tax asset	10	**8,458**	10,381	**749**	577
		575,229	379,921	**38,612**	38,569
Current assets					
Land, developments and trading properties	17	**98,160**	92,874	**–**	–
Available-for-sale investments	18	**4,973**	5,997	**–**	–
Trade and other receivables	19	**33,337**	38,017	**491, 437**	326,244
Cash and cash equivalents	20	**63,237**	36,863	**30,376**	24,035
		199,707	173,751	**521,813**	350,279
Total assets		**774,936**	553,672	**560,425**	388,848
Current liabilities					
Trade and other payables	21	**(49,230)**	(34,929)	**(235,578)**	(153,580)
Corporate tax payable		**(5,370)**	(70)	**(2,908)**	–
Borrowings	22	**(1,275)**	(39,295)	**–**	(6,848)
		(55,875)	(74,294)	**(238,486)**	(160,428)
Non-current liabilities					
Trade and other payables	21	**(2,150)**	–	**–**	–
Borrowings	22	**(374,811)**	(220,446)	**(82,399)**	(4,457)
Derivative financial instruments		**(1,573)**	(5,164)	**(192)**	(1,027)
		(378,534)	(225,610)	**(82,591)**	(5,484)
Total liabilities		**(434,409)**	(299,904)	**(321,077)**	(165,912)
Net assets	2	**340,527**	253,768	**239,348**	222,936

	Note	**Group 31.3.14 £000**	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Equity					
Called-up share capital	24	**1,447**	1,447	**1,447**	1,447
Share premium account		**98,678**	98,678	**98,678**	98,678
Revaluation reserve		**33,106**	10,593	**–**	–
Capital redemption reserve		**7,478**	7,478	**7,478**	7,478
Other reserves		**291**	291	**1,987**	1,987
Retained earnings		**200,455**	135,211	**129,758**	113,346
Own shares held		**(950)**	–	**–**	–
Equity attributable to equity holders of the parent company		**340,505**	253,698	**239,348**	222,936
Non-controlling interests		**22**	70	**–**	–
Total equity		**340,527**	253,768	**239,348**	222,936

Consolidated and Company Cash Flow Statements

For the year to 31 March 2014	**Group 31.3.14 £000**	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Cash flows from operating activities				
Profit/(loss) before tax	**101,681**	5,009	**29,549**	(287)
Depreciation	**719**	340	**653**	290
Revaluation gain on investment properties	**(20,714)**	(3,723)	**–**	–
(Gain)/loss on sales of investment properties	**(8,611)**	2,388	**–**	–
Net financing costs/(income)	**9,529**	8,690	**1,121**	(1,565)
Change in value of derivative financial instruments	**(5,312)**	2,573	**(1,098)**	478
Share based payment charge	**6,333**	1,864	**–**	–
Share of results of joint ventures	**(16,448)**	(3,854)	**–**	–
Impairment of available for sale assets	**88**	–	**–**	–
Foreign exchange movement	**109**	(211)	**–**	32
Other non-cash items	**(10)**	–	**(10)**	–
Cash inflow/(outflow) from operations before changes in	**67,364**	13,076	**30,215**	(1,052)
Change in trade and other receivables	**3,680**	(21,470)	**(165,193)**	(1,571)
Change in land, developments and trading properties	**(11,306)**	9,520	**–**	101
Change in trade and other payables	**16,096**	10,637	**87,763**	7,715
Cash inflow/(outflow) generated from operations	**75,834**	11,763	**(47,215)**	5,193
Finance costs	**(17,645)**	(13,104)	**(6,087)**	(951)
Finance income	**1,236**	887	**1,810**	3,217
Tax (paid)/received	**(6,903)**	732	**(6,903)**	(1,886)
	(23,312)	(11,485)	**(11,180)**	380
Cash flows from operating activities	**52,522**	278	**(58,395)**	5,573
Cash flows from investing activities				
Purchase of investment property	**(199,944)**	(5,141)	**–**	–
Sale of investment property	**56,914**	21,910	**–**	–
Purchase of own shares	**(950)**	–	**–**	–
Cost of cancelling interest rate swap	**8**	(1)	**–**	–
Investment in subsidiaries	**–**	–	**(150)**	(6,622)
Investment in joint ventures	**(650)**	(6,622)	**–**	–
Return of investment in joint ventures	**2,668**	751	**–**	–
Dividends from joint ventures	**1,350**	–	**–**	–
Sale of plant and equipment	**34**	–	**34**	–
Purchase of leasehold improvements, plant and equipment	**(646)**	(242)	**(646)**	(163)
Net cash (used in)/generated from investing activities	**(141,216)**	10,655	**(762)**	(6,785)
Cash flows from financing activities				
Borrowings drawn down	**274,369**	33,682	**80,000**	11,298
Borrowings repaid	**(152,636)**	(37,001)	**(7,842)**	(6,240)
Equity dividends paid	**(6,660)**	(6,134)	**(6,660)**	(6,134)
Net cash generated from/(used in) financing activities	**115,073**	(9,453)	**65,498**	(1,076)
Net increase/(decrease) in cash and cash equivalents	**26,379**	1,480	**6,341**	(2,288)
Exchange losses on cash and cash equivalents	**(5)**	(28)	**–**	(32)
Cash and cash equivalents at 1 April	**36,863**	35,411	**24,035**	26,355
Cash and cash equivalents at 31 March	**63,237**	36,863	**30,376**	24,035

Consolidated and Company Statements of Changes in Equity

For the year to 31 March 2014

Group	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Non-controlling interests £000	Total £000
At 31 March 2012	1,447	98,678	2,612	7,478	291	143,111	–	113	253,730
Total comprehensive income/(expense)	–	–	–	–	–	4,351	–	(43)	4,308
Revaluation surplus	–	–	3,723	–	–	(3,723)	–	–	–
Realised on disposals	–	–	4,258	–	–	(4,258)	–	–	–
Performance share plan	–	–	–	–	–	1,864	–	–	1,864
Dividends paid	–	–	–	–	–	(6,134)	–	–	(6,134)
At 31 March 2013	1,447	98,678	10,593	7,478	291	135,211	–	70	253,768
Total comprehensive income/(expense)	**–**	**–**	**–**	**–**	**–**	**86,718**	**–**	**(48)**	**86,670**
Revaluation surplus	**–**	**–**	**20,714**	**–**	**–**	**(20,714)**	**–**	**–**	**–**
Realised on disposals	**–**	**–**	**1,799**	**–**	**–**	**(1,799)**	**–**	**–**	**–**
Performance share plan	**–**	**–**	**–**	**–**	**–**	**6,333**	**–**	**–**	**6,333**
Share settled bonus	**–**	**–**	**–**	**–**	**–**	**1,366**	**–**	**–**	**1,366**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**	**–**	**(950)**	**–**	**(950)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(6,660)**	**–**	**–**	**(6,660)**
At 31 March 2014	**1,447**	**98,678**	**33,106**	**7,478**	**291**	**200,455**	**(950)**	**22**	**340,527**

For a breakdown of Total comprehensive income/expense, see the Consolidated Statement of Comprehensive Income.

Included within changes in equity are net transactions with owners of £89,000 (2013: £4,270,000) made up of: the performance share plan charge of £6,333,000 (2013: £1,864,000), dividends paid of £6,660,000 (2013: £6,134,000), the purchase of own shares of £950,000 (2013: £nil), and the share settled bonuses of £1,366,000 (2013: £nil).

The adjustment to retained earnings of £6,333,000 adds back the performance share plan charge (2013: £1,864,000), in accordance with IFRS 2 Share–Based Payments.

Company	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
At 31 March 2012	1,447	98,678	–	7,478	1,987	122,789	232,379
Total comprehensive expense	–	–	–	–	–	(3,309)	(3,309)
Dividends paid	–	–	–	–	–	(6,134)	(6,134)
At 31 March 2013	1,447	98,678	–	7,478	1,987	113,346	222,936
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**23,072**	**23,072**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(6,660)**	**(6,660)**
At 31 March 2014	**1,447**	**98,678**	**–**	**7,478**	**1,987**	**129,758**	**239,348**

Total comprehensive income is made up of the gain after tax of £23,072,000 (2013: loss £3,309,000).
Included within changes in equity are net transactions with owners of £6,660,000 (2013: £6,134,000) made up of dividends paid of £6,660,000 (2013: £6,134,000).

Notes:

Share capital – represents the nominal value of issued share capital.
Share premium – represents the excess of value of shares issued over their nominal value.
Revaluation reserve – represents the surplus/deficit of fair value of investment properties over their historic cost.
Capital redemption reserve – represents amounts paid to purchase issued shares for cancellation at their nominal value.
Retained earnings – represents the accumulated retained earnings of the Group.

Notes to the Financial Statements

1. Basis of preparation

These financial statements have been prepared in accordance with applicable International Financial Reporting Standards ("IFRS"), including International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the European Union and as issued by the International Accounting Standards Board ("IASB").

The Directors have taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present a separate income statement for the parent company.

The financial statements have been prepared in Sterling (rounded to the nearest thousand) under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments and derivative financial instruments.

The principal accounting policies of the Group are set out in the Group's 2014 annual report and financial statements. There has been no significant change to these since the previous annual report.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

Responsibility statement
The Statement of Directors' responsibilities below has been prepared in connection with the Group's full Annual Report for the year ended 31 March 2014. Certain parts of the Annual Report have not been included in the announcement. We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the annual review, which is incorporated into the Report of Directors, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board on 29 May 2014 and signed on its behalf by:

Tim Murphy
Director

2. Segmental information

IFRS 8 requires the identification of the Group's operating segments which are defined as being discrete components of the Group's operations whose results are regularly reviewed by the Chief Operating Decision Maker (being the Chief Executive) to allocate resources to those segments and to assess their performance. The Group divides its business into the following segments:

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation, and Trading properties which are owned or leased with the intention to sell; and,

- Developments, which include sites, developments in the course of construction, completed developments available for sale, pre-sold developments and interest in third party developments.

Revenue	**Investment and trading Year ended 31.3.14 £000**	**Developments Year ended 31.3.14 £000**	**Total Year ended 31.3.14 £000**	Investment and trading Year ended 31.3.13 £000	Developments Year ended 31.3.13 £000	Total Year ended 31.3.13 £000
Rental income	**27,994**	**2,000**	**29,994**	24,032	1,784	25,816
Development property income	**–**	**82,457**	**82,457**	–	38,498	38,498
Trading property sales	**8,230**	**–**	**8,230**	122	–	122
Other revenue	**2,956**	**–**	**2,956**	1,003	–	1,003
Total revenue	**39,180**	**84,457**	**123,637**	25,157	40,282	65,439

All revenue is from external sales and is attributable to continuing operations. There were no inter-segmental sales.

Revenue for the year comprises revenue from construction contracts of £nil (2013: £nil), revenue from the sale of goods of £62,965,000 (2013: £31,193,000), revenue from services of £30,678,000 (2013: £8,430,000), and rental income of £29,994,000 (2013: £25,816,000).

All revenues are within the UK other than rental income from development properties in Poland of £1,065,000 (2013: £1,104,000) and £835,000 (2013: £671,000) of development income derived from the Group's operations in Poland.

Profit before tax	**Investment and trading Year ended 31.3.14 £000**	**Developments Year ended 31.3.14 £000**	**Total Year ended 31.3.14 £000**	Investment and trading Year ended 31.3.13 £000	Developments Year ended 31.3.13 £000	Total Year ended 31.3.13 £000
Net rental income	**22,764**	**1,638**	**24,402**	18,232	1,346	19,578
Development property profit	**–**	**62,825**	**62,825**	–	6,956	6,956
Trading property profit/(loss)	**252**	**–**	**252**	(1)	–	(1)
Share of results of joint ventures	**18,882**	**(2,434)**	**16,448**	4,323	(469)	3,854
Gain on sale and revaluation of investment properties	**29,325**	**–**	**29,325**	1,335	–	1,335
	71,223	**62,029**	**133,252**	23,889	7,833	31,722
Impairment of available for sale assets			**(88)**			–
Other operating income/(expense)			**230**			(547)
Gross profit			**133,394**			31,175
Administrative expenses			**(26,676)**			(14,920)
Finance costs			**(13,983)**			(9,577)
Finance income			**4,135**			887
Change in fair value of derivative financial instruments			**5,312**			(2,573)
Foreign exchange (losses)/gains			**(501)**			17
Profit before tax			**101,681**			5,009

Net assets	**Investment and trading Year ended 31.3.14 £000**	**Developments Year ended 31.3.14 £000**	**Total Year ended 31.3.14 £000**	Investment and trading Year ended 31.3.13 £000	Developments Year ended 31.3.13 £000	Total Year ended 31.3.13 £000
Investment properties	**493,201**	**–**	**493,201**	312,026	–	312,026
Land, development and trading properties	**2,528**	**95,632**	**98,160**	2,528	90,346	92,874
Investment in joint ventures	**58,460**	**4,520**	**62,980**	41,687	8,203	49,890
	554,189	**100,152**	**654,341**	356,241	98,549	454,790
Owner occupied property, plant and equipment			**1,050**			1,153
Derivative financial instruments			**1,867**			146
Deferred tax assets			**8,458**			10,381
Available-for-sale investments			**4,973**			5,997
Trade and other receivables			**41,010**			44,342
Cash and cash equivalents			**63,237**			36,863
Total assets			**774,936**			553,672
Liabilities			**(434,409)**			(299,904)
Net assets			**340,527**			253,768

3. Net rental income

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Gross rental income	**29,994**	25,816
Rents payable	**(476)**	(342)
Property overheads	**(4,328)**	(5,186)
Net rental income	**25,190**	20,288
Net rental income attributable to profit share partner	**(788)**	(710)
Group share of net rental income	**24,402**	19,578

Property overheads include lettings costs, vacancy costs and bad debt provisions.

The amounts above include gross rental income from investment properties of £27,994,000 (2013: £24,032,000) and net rental income of £22,764,000 (2013: £18,232,000).

No contingent rental income was received in the year (2013: £nil).

4. Development property profit

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Development property income	**82,457**	38,498
Cost of sales	**(15,613)**	(30,420)
Sales expenses	**(4,571)**	(462)
Movement in provision against book values	**552**	(660)
Development property profit	**62,825**	6,956

5. Trading property profit/(loss)

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Trading property sales	**8,230**	122
Cost of sales	**(7,945)**	(110)
Sales expenses	**(33)**	(13)
Trading property profit/(loss)	**252**	(1)

6. Net gain on sale and revaluation of investment properties

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Net proceeds from the sale of investment properties	**57,971**	21,910
Book value (note 13)	**(48,303)**	(23,865)
Tenants incentives on sold investment properties	**(1,057)**	(433)
Gain/(loss) on sale of investment properties	**8,611**	(2,388)
Revaluation surplus on investment properties	**20,714**	3,723
Gain on sale and revaluation of investment properties	**29,325**	1,335

7. Administrative expenses

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Administrative expenses	**(26,676)**	(14,920)

Administrative expenses include salaries paid to Directors of £2,430,000 (2013: £2,307,000), cash bonuses accrued of £4,732,000 (2013: £2,451,000), deferred bonuses of £2,926,000 (2013: £752,000), a charge for deferred shares awarded of £1,366,000 (2013: £600,000) and a share-based payments charge of £5,799,000 (2013: £1,715,000)

Operating profit is stated after the following items that are contained within administrative expenses:

Depreciation		
– owner occupied property, plant and equipment	**719**	340
Share-based payments charge	**6,333**	1,864
Auditor's remuneration:		
Audit fees		
– audit of parent company and consolidated financial statements	**150**	155
– audit of Company's subsidiaries	**52**	47
– audit of interim consolidated financial statements	**42**	41
– audit of Company's subsidiaries by affiliate of Group auditor	**12**	11

8. Finance costs and finance income

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Interest payable on bank loans and overdrafts	**(14,298)**	(10,445)
Other interest payable and similar charges	**(2,520)**	(1,658)
Interest capitalised	**2,835**	2,526
Finance costs	**(13,983)**	(9,577)
Interest receivable and similar income	**1,236**	887
Gain on purchase of loan	**2,899**	–
Finance income	**4,135**	887

During the year to 31 March 2014, the Group purchased a loan from one of its lenders, realising a gain of £2,899,000. On projects where specific third party loans have been arranged, interest has been capitalised in accordance with IAS23 – Borrowing costs, at the rate for the individual loan. The weighted average capitalised interest rate of such loans was 3.57% (2013: 2.87%). Where general finance has been used to fund the acquisition and construction of properties, the rate used was a weighted average of the financing costs for the applicable borrowings of 4.60% (2013: 4.06%).

9. Taxation on profit on ordinary activities

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
The tax (charge)/credit is based on the profit for the year and represents:		
United Kingdom corporation tax at 23%/24%		
– Group corporation tax	**(11,687)**	(435)
– adjustment in respect of prior periods	**(403)**	–
– overseas tax	**(113)**	(84)
Current tax charge	**(12,203)**	(519)

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Deferred tax at 21%/23%		
– capital allowances	**1,157**	46
– tax losses	**(1,746)**	163
– other temporary differences	**(1,334)**	1,125
Deferred tax (charge)/credit	**(1,923)**	1,334
Tax (charge)/credit on profit on ordinary activities	**(14,126)**	815

10. Deferred tax

Deferred tax provided for in the financial statements is set out below:

	Group 31.3.14 £000	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Capital allowances	**(1,264)**	(2,421)	**99**	(29)
Tax losses	**8,988**	10,734	**363**	–
Other temporary differences	**734**	2,068	**287**	606
Deferred tax asset	**8,458**	10,381	**749**	577

Other temporary differences represent deferred tax assets arising from the recognition of the fair value of derivative financial instruments, unrestricted gains and future tax relief available to the Group from capital allowances and when share awards vest.

The Group contains entities with tax losses for which no deferred tax asset is recognised. The total unrecognised losses amount to approximately £7.6m. A deferred tax asset has not been recognised because the entities in which the losses have been generated either do not have forecast taxable profits or the losses have restrictions whereby their utilisation is considered to be unlikely.

If upon the sale of the investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £1.2m (2013: £2.4m) would be released and further capital allowances of £11.4m (2013: £9.5m) would be available to reduce future tax liabilities.

11. Dividends paid and payable

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Attributable to equity share capital		
Ordinary		
– interim paid of 2.00p (2013: 1.85p) per share	**2,337**	2,161
– prior period final paid of 3.70p (2013: 3.40p) per share	**4,323**	3,973
Total dividends paid and payable in year – 5.70p (2013: 5.25p) per share	**6,660**	6,134

An interim dividend of 2.00p was paid on 27 December 2013 to shareholders on the register on 6 December 2013. The final dividend of 4.75p, if approved at the AGM on 25 July 2014, will be paid on 30 July 2014 to shareholders on the register on 4 July 2014. This final dividend, amounting to £5,540,000, has not been included as a liability as at 31 March 2014, in accordance with IFRS.

12. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. This is a different basis to the net asset per share calculations which are based on the number of shares at the year end. Shares held by the ESOP, which has waived its entitlement to receive dividends, are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the effect of all dilutive options and awards.

The earnings per share are calculated in accordance with IAS 33, Earnings per Share and the best practice recommendations of the European Public Real Estate Association ("EPRA"). Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	Year ended 31.3.14 000	Year ended 31.3.13 000
Ordinary shares in issue	**118,138**	118,138
Weighting adjustment	**(1,323)**	(1,292)
Weighted average ordinary shares in issue for calculation of basic earnings per share	**116,815**	116,846
Weighted average ordinary shares issued on exercise of share options	**46**	34
Weighted average ordinary shares to be issued on share settled bonuses	**451**	–
Weighted average ordinary shares to be issued under performance share plan	**2,389**	1,349
Weighted average ordinary shares in issue for calculation of diluted and diluted EPRA earnings per share	**119,701**	118,229
	£000	£000
Earnings used for calculation of basic and diluted earnings per share	**87,603**	5,867
Basic earnings per share	**75.0p**	5.0p
Diluted earnings per share	**73.2p**	5.0p

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Earnings used for calculation of basic and diluted earnings per share	**87,603**	5,867
Net gain on sale and revaluation of investment properties	**(29,325)**	(1,335)
Share of net gain on revaluation of investment properties in the results of joint ventures	**(15,710)**	(3,109)
Tax on profit on disposal of investment properties	**1,981**	(549)
Trading property gain/(loss)	**(252)**	1
Fair value movement on derivative financial instruments	**(5,312)**	2,573
Share of fair value movements on derivative financial instruments in the results of joint ventures	**(1,001)**	(32)
Impairment of available-for-sale assets	**88**	–
Deferred tax	**862**	(572)
Performance related awards	**17,860**	6,828
Earnings used for calculation of adjusted diluted EPRA earnings per share	**56,794**	9,672
Performance related awards	**(17,860)**	(6,828)
Earnings used for calculation of diluted EPRA earnings per share	**38,934**	2,844
Adjusted diluted EPRA earnings per share	**47.4p**	8.2p
Diluted EPRA earnings per share	**32.5p**	2.4p

The earnings used for calculation of diluted EPRA earnings per share includes net rental income and development property profits but excludes trading property losses.

13. Investment properties

	Freehold 31.3.14 £000	**Leasehold 31.3.14 £000**	**Total 31.3.14 £000**	Freehold 31.3.13 £000	Leasehold 31.3.13 £000	Total 31.3.13 £000
Group						
Fair value at 1 April	**288,076**	**23,950**	**312,026**	292,276	34,600	326,876
Property acquisitions	**183,357**	**16,587**	**199,944**	4,299	842	5,141
Transfer from land, developments, and trading properties	**–**	**8,600**	**8,600**	–	–	–
Disposals	**(41,870)**	**(6,433)**	**(48,303)**	(13,069)	(10,796)	(23,865)
Revaluation surplus/(deficit)	**20,493**	**221**	**20,714**	4,419	(696)	3,723
Revaluation surplus attributable to profit share partner	**220**	**–**	**220**	151	–	151
Fair value at 31 March	**450,276**	**42,925**	**493,201**	288,076	23,950	312,026

Interest capitalised during the year in respect of the refurbishment of investment properties amounted to £nil (2013: £nil). Interest capitalised in respect of the refurbishment of investment properties is included in investment properties to the extent of £4,782,317 (2013: £5,767,000).

Investment properties with a total fair value of £474,200,000 (2013: £312,025,000) were held as security against borrowings.

Properties are stated at market value as at 31 March 2014, valued by professionally qualified external valuers except for investment properties valued by the Directors. The valuations have been prepared in accordance with the Valuation Standards (6th edition) published by the Royal Institution of Chartered Surveyors ("the Standards"). In their valuation reports, the valuers have noted, in accordance with Guidance Note 5 of the Standards, that the primary source of evidence for valuations is recent, comparable market transactions on arm's length terms.

The investment properties have been valued at 31 March 2014 as follows:

	31.3.14 £000	31.3.13 £000
Cushman & Wakefield LLP	**493,200**	312,025
Directors' valuation	**1**	1
	493,201	312,026

The historical cost of investment property is £457,780,930 (2013: £298,878,000).

14. Operating lease arrangements

The Group earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. At the balance sheet date, the Group had contracted with tenants to receive the following future minimum lease payments:

	Group 31.3.14 £000	Group 31.3.13 £000
Not later than one year	**29,065**	24,281
Later than one year but not more than five years	**81,237**	64,729
More than five years	**104,240**	57,966
	214,542	146,976

The Company has no operating lease arrangements as lessor.

15. Owner occupied property, plant and equipment – Group

	Short leasehold improvements 31.3.14 £000	**Plant and equipment 31.3.14 £000**	**Total 31.3.14 £000**	Short leasehold improvements 31.3.13 £000	Plant and equipment 31.3.13 £000	Total 31.3.13 £000
Cost at 1 April	**2,071**	**825**	**2,896**	2,071	686	2,757
Additions at cost	**302**	**344**	**646**	–	242	242
Disposals	**–**	**(234)**	**(234)**	–	(103)	(103)
Cost at 31 March	**2,373**	**935**	**3,308**	2,071	825	2,896
Depreciation at 1 April	**1,283**	**460**	**1,743**	1,096	410	1,506
Provision for the year	**528**	**187**	**715**	187	153	340
Eliminated on disposals	**–**	**(200)**	**(200)**	–	(103)	(103)
Depreciation at 31 March	**1,811**	**447**	**2,258**	1,283	460	1,743
Net book amount at 31 March	**562**	**488**	**1,050**	788	365	1,153

Plant and equipment include vehicles, fixtures and fittings and other office equipment.

All short leasehold improvements, plant and equipment relate to the Company except for plant and equipment with a net book value of £101,000 as at 31 March 2014 (2013: £173,000).

16. Investment in joint ventures

	Investment & trading 31.3.14 £000	**Development 31.3.14 £000**	**Total 31.3.14 £000**	Investment & trading 31.3.13 £000	Development 31.3.13 £000	Total 31.3.13 £000
Summarised statements of consolidated income						
Revenue	**6,351**	**250**	**6,601**	5,629	564	6,193
Gross rental income	**6,351**	**250**	**6,601**	5,629	564	6,193
Rents payable	**(625)**	**–**	**(625)**	(802)	–	(802)
Property overheads	**(671)**	**132**	**(539)**	(437)	(73)	(510)
Net rental income	**5,055**	**382**	**5,437**	4,390	491	4,881
Development profits/(losses)	**–**	**2,199**	**2,199**	–	(659)	(659)
Loss on sale of property	**(31)**	**–**	**(31)**	–	–	–
Gain on revaluation of investment properties	**15,710**	**–**	**15,710**	3,109	–	3,109
Impairment of held for sale investment	**–**	**(4,792)**	**(4,792)**	–	–	–
Other operating income/(expense)	**302**	**70**	**372**	58	(157)	(99)
Administrative expenses	**(94)**	**–**	**(94)**	(623)	(79)	(702)
Finance costs	**(3,027)**	**(24)**	**(3,051)**	(2,189)	(80)	(2,269)
Finance income	**369**	**170**	**539**	5	61	66
Change in fair value movement of derivative financial instruments	**1,001**	**–**	**1,001**	32	–	32
Profit/(loss) before tax	**19,285**	**(1,995)**	**17,290**	4,782	(423)	4,359
Tax	**(403)**	**(439)**	**(842)**	(505)	–	(505)
Profit/(loss) after tax	**18,882**	**(2,434)**	**16,448**	4,277	(423)	3,854

	Investment & trading 31.3.14 £000	**Development 31.3.14 £000**	**Total 31.3.14 £000**	Investment & trading 31.3.13 £000	Development 31.3.13 £000	Total 31.3.13 £000
Summarised balance sheets						
Non-current assets						
Investment properties	**107,504**	**–**	**107,504**	94,962	–	94,962
Owner occupied property, plant and equipment	**21**	**–**	**21**	25	–	25
	107,525	**–**	**107,525**	94,987	–	94,987
Current assets						
Land, development and trading properties	**–**	**27,165**	**27,165**	–	23,797	23,797
Held for sale investments	**–**	**–**	**–**	–	4,792	4,792
Trade and other receivables	**1,937**	**1,256**	**3,193**	1,088	962	2,050
Cash and cash equivalents	**4,292**	**11,500**	**15,792**	4,713	5,080	9,793
	6,229	**39,921**	**46,150**	5,801	34,631	40,432
Current liabilities						
Trade and other payables	**(3,649)**	**(35,428)**	**(39,077)**	(11,257)	(24,928)	(36,185)
Borrowings	**(12,453)**	**–**	**(12,453)**	(720)	–	(720)
	(16,102)	**(35,428)**	**(51,530)**	(11,977)	(24,928)	(36,905)
Non-current liabilities						
Trade and other payables	**(8,464)**	**–**	**(8,464)**	–	–	–
Borrowings	**(30,389)**	**–**	**(30,389)**	(46,094)	(1,500)	(47,594)
Derivative financial instruments	**(51)**	**–**	**(51)**	(1,030)	–	(1,030)
Deferred tax	**(289)**	**28**	**(261)**	–	–	–
	(39,193)	**28**	**(39,165)**	(47,124)	(1,500)	(48,624)
Net assets	**58,459**	**4,521**	**62,980**	41,687	8,203	49,890

The cost of the Company's investment in joint ventures was £15,000 (2013: £15,000).

The Directors' valuation of the trading and development stock shows a surplus of £1,760,000 above book value (2013: £1,028,000).

At 31 March 2014 the Group and the Company had interests in the following joint venture companies:

	Country of incorporation	Class of share capital held	Proportion held Group	Proportion held Company	Nature of business
HP Properties Ltd (BVI)	British Virgin Islands	Ordinary	60%	–	Investment
Barts Two Investment Property Ltd	Jersey	Ordinary	33%	–	Investment
207 Old Street Unit Trust	Jersey	n/a	33%	–	Investment
211 Old Street Unit Trust	Jersey	n/a	33%	–	Investment
Old Street Retail Unit Trust	Jersey	n/a	33%	–	Investment
City Road (Jersey) Ltd	Jersey	Ordinary	33%	–	Investment
Old Street Holdings LP	Jersey	n/a	33%	–	Investment
Helical Sosnica Sp. zoo.	Poland	Ordinary	50%	–	Development
Abbeygate Helical (Leisure Plaza) Ltd	United Kingdom	Ordinary	50%	50%	Development
Abbeygate Helical (Winterhill) Ltd	United Kingdom	Ordinary	50%	50%	Development
Abbeygate Helical (C4.1) LLP	United Kingdom	n/a	50%	50%	Development
Shirley Advance LLP	United Kingdom	n/a	50%	–	Development
King Street Developments (Hammersmith) Ltd	United Kingdom	Ordinary	50%	–	Development

During the year to 31 March 2013 the Group acquired a 33% stake in 207 Old Street Unit Trust, 211 Old Street Unit Trust, Old Street Retail Unit Trust and City Road (Jersey) Ltd all of which own investment properties in the UK. The results of these entities since acquisition have been included above.

The Group's investment in Helical Sosnica Sp. zoo. has been accounted for as an investment held for sale due to a commitment to sell the Group's share within the next year. At 31 March 2014 Helical Sosnica Sp. zoo. held a development property the fair value of which the Directors believe to be £96,406,000 (of which Helical's share is £48,203,000) and a bank loan of £59,192,000 (of which Helical's share is £29,596,000) repayable in September 2017.

17. Land, developments and trading properties

Group	**Development properties 31.3.14 £000**	**Trading stock 31.3.14 £000**	**Total 31.3.14 £000**	Development properties 31.3.13 £000	Trading stock 31.3.13 £000	Total 31.3.13 £000
At 1 April	**90,346**	**2,528**	**92,874**	97,103	2,638	99,741
Construction costs	**32,863**	**–**	**32,863**	20,164	5	20,169
Interest capitalised	**2,835**	**–**	**2,835**	2,526	–	2,526
Transfer to investment properties	**(8,600)**	**–**	**(8,600)**	–	–	–
Disposals	**(22,109)**	**–**	**(22,109)**	(28,919)	(110)	(29,029)
Foreign exchange movements	**(255)**	**–**	**(255)**	127	–	127
Provision	**552**	**–**	**552**	(655)	(5)	(660)
At 31 March	**95,632**	**2,528**	**98,160**	90,346	2,528	92,874

Company	**Development properties 31.3.14 £000**	Development properties 31.3.13 £000
At 1 April	**–**	101
Provision	**–**	(101)
At 31 March	**–**	–

The Directors' valuation of trading and development stock shows a surplus of £25,719,000 above book value (2013: £48,837,000).

Interest capitalised in respect of the development of sites is included in stock to the extent of £7,742,719 (2013: £7,010,000).

Land, developments and trading properties with carrying values totalling £77,676,000 (2013: £82,144,000) were held as security against borrowings.

18. Available–for–sale investments

	31.3.14 £000	31.3.13 £000
At 1 April	**5,997**	7,003
Additions	**–**	298
Impairment in the year	**(1,024)**	(1,304)
At 31 March	**4,973**	5,997

Included within current available-for-sale investments is an amount lent to a company promoting a mainly residential mixed–use development and a holding of 20% of the equity of this company.

The loan and the equity are classed as an available-for-sale investment and held at fair value. The Group has determined its fair value by considering both the loan and the equity element separately. The loan element is valued at the fair value of the expected consideration to be received including anticipated future costs of recovering this loan. This amount has been impaired in the year due to a revision in the expected receipt. The equity element is given a nil value with the Group valuing the underlying company on a break up basis at £nil as it is believed that this is the most probable outcome. This nil valuation is derived because the Group believe that the value of the property and any other of the company's assets, after the repayment of the loan payable to the Group, would be required to repay the outstanding creditors leaving negligible value to the shareholders.

The Group does not consider that it has significant influence over this company despite having 20% of the equity as another party owns a majority shareholding and the Group does not have a representative on the Board of the company.

Of the impairment in the fair value of the loan and equity and the associated deferred tax movement, £936,000 (2013: £1,304,000) has been recognised in Other Comprehensive Income and £88,000 (2013: £nil) has been recognised in the Income Statement.

19. Trade and other receivables

	Group 31.3.14 £000	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Trade receivables	**9,390**	15,238	**356**	418
Amounts owed by joint venture undertakings	**25,347**	25,568	**20,451**	20,803
Amounts owed by subsidiary undertakings	**–**	–	**470,119**	304,392
Other receivables	**231**	292	**337**	178
Prepayments and accrued income	**6,042**	3,244	**174**	453
	41,010	44,342	**491,437**	326,244

Included within Trade receivables of the Group at 31 March 2014 is £6,673,000 (2013: £6,325,000) due in 2015 and 2016 which is shown as a non-current asset in the Balance Sheet. Included within Prepayments and accrued income of the Group is a prepayment of £1,000,000 (2013: nil) for the purchase of property due to complete in 2015.

20. Cash and cash equivalents

	Group 31.3.14 £000	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Rent deposits and cash held at managing agents	**4,107**	2,788	**–**	–
Restricted cash	**12,721**	7,327	**–**	–
Cash deposits	**46,409**	26,748	**30,376**	24,035
	63,237	36,863	**30,376**	24,035

Restricted cash is made up of cash held by solicitors and cash in blocked accounts.

21. Trade and other payables

	Group 31.3.14 £000	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Trade payables	**11,074**	7,599	**323**	233
Social security costs and other taxation	**4,615**	2,988	–	–
Amounts owed to subsidiary undertakings	**–**	–	**232,788**	152,435
Other payables	**3,699**	4,073	–	71
Accruals	**24,302**	15,293	**2,467**	841
Deferred income	**7,690**	4,976	–	–
	51,380	34,929	**235,578**	153,580

Included within Deferred income is £2,150,000 (2013: £nil) which is due after more than one year.

22. Borrowings

	Group 31.3.14 £000	Group 31.3.13 £000	**Company 31.3.14 £000**	Company 31.3.13 £000
Current borrowings	**1,275**	39,295	**–**	6,848
Bank loans repayable within:				
– one to two years	**13,904**	10,811	**3,540**	–
– two to three years	**102,403**	63,009	**–**	4,457
– three to four years	**100,562**	99,301	**–**	–
– four to five years	**79,083**	47,325	**–**	–
– six to seven years	**78,859**	–	**78,859**	–
Non-current debt	**374,811**	220,446	**82,399**	4,457

Bank overdrafts and term loans in creditors falling due within one year and after one year are secured against properties held in the normal course of business by subsidiary undertakings to the value of £551,876,000 (2013: £394,169,000). These will be repayable when the underlying properties are sold. Bank overdrafts and term loans exclude the Group's share of borrowings in joint venture companies of £42,842,000 (2013: £48,314,000).

23. Financing and financial instruments

The policies for dealing with liquidity and interest rate risk are noted in the Strategy and Performance Review.

	Group 31.3.14 £000	Group 31.3.13 £000
Bank overdraft and loans – maturity		
Due after more than one year	**374,811**	220,446
Due within one year	**1,275**	39,295
	376,086	259,741

The Group has various undrawn committed borrowing facilities. The facilities available at 31 March 2014 in respect of which all conditions precedent had been met were as follows:

	Group 31.3.14 £000	Group 31.3.13 £000
Expiring in one year or less	**10,000**	1,877
Expiring in more than one year but not more than two years	**6,335**	1,694
Expiring in more than two years but not more than three years	**37,735**	6,074
Expiring in more than three years but not more than four years	**–**	25,811
Expiring in more than four years but not more than five years	**36,481**	–
	90,551	35,456

Interest rates – Group	**%**	**Expiry**	**31.3.14 £000**	%	Expiry	31.3.13 £000
Fixed rate borrowings:						
– swap rate plus bank margin	**3.958**	**Jan 2015**	**50,000**	3.958	Jan 2015	50,000
– swap rate plus bank margin	**5.957**	**Jan 2015**	**11,429**	4.500	Jan 2015	11,874
– swap rate plus bank margin	**4.020**	**May 2018**	**10,800**	–	–	–
– swap rate plus bank margin	**5.645**	**Oct 2014**	**6,690**	5.645	Oct 2014	6,690
– swap rate plus bank margin	**–**	**–**	**–**	6.240	Dec 2013	10,120
– swap rate plus bank margin	**4.015**	**Jan 2016**	**9,172**	3.972	Jan 2016	9,172
– swap rate plus bank margin	**4.525**	**Feb 2019**	**75,630**	–	–	–
– swap rate plus bank margin	**4.240**	**Nov 2017**	**26,400**	4.240	Nov 2017	26,400
– swap rate plus bank margin	**4.160**	**May 2015**	**21,375**	4.117	May 2015	21,375
Fixed rate retail bond	**6.000**	**Jun 2020**	**80,000**	–	–	–
Weighted average	**4.766**	**Dec 2016**	**291,496**	4.340	Sep 2015	135,631
Floating rate borrowings	**3.476**	**Mar 2017**	**84,590**	3.312	Oct 2016	124,110
Total borrowings			**376,086**			259,741

Changes in fixed borrowing rates are the result of stepped increases in interest rate swaps rates. Floating rate borrowings bear interest at rates based on LIBOR.

As at 31 March 2014 and 31 March 2013 the Company's borrowings consist of fixed rate borrowings of £6,690,000 at 5.645% (2013: 5.645%) expiring in October 2014 with the remainder being floating rate borrowings.

In addition to the fixed rate borrowings above, the Group has a £75m interest rate swap at 2.0% starting in January 2015 and expiring in January 2020.

Economic hedging

In addition to the fixed rates, borrowings are also hedged by the following financial instruments:

Instrument	Value £000	Rate %	Start	Expiry
Current: – cap	50,000	4.000	Apr 2011	Apr 2015
– cap	25,000	4.000	Apr 2011	Apr 2016
– cap	50,000	4.000	Jul 2013	Jul 2016
– cap	25,000-75,000	4.000	Apr 2015	Jan 2017
– cap	7,200	4.000	Jan 2012	Oct 2016
– cap	11,037-10,613	4.000	Jan 2015	Jan 2016

Where a range in capped values is shown, these reflect stepped increases/decreases over the life of the cap.

Gearing	**Group 31.3.14 £000**	Group 31.3.13 £000
Total debt	**376,086**	259,741
Cash	**(63,237)**	(36,863)
Net debt	**312,849**	222,878

Net debt excludes the Group's share of debt in joint ventures of £42,842,000 (2013: £48,314,000), and cash of £15,792,000 (2013: £9,793,000).

	Group 31.3.14 £000	Group 31.3.13 £000
Net assets	**340,527**	253,768
Gearing	**92%**	88%

24. Share capital

	31.3.14 £000	31.3.13 £000
Authorised	**39,577**	39,577
	39,577	39,577

The authorised share capital of the Company is £39,576,626.60 divided into ordinary shares of 1p each and deferred shares of 1⁄8p each.

	31.3.14 £000	31.3.13 £000
Allotted, called up and fully paid		
– 118,137,522 ordinary shares of 1p each	**1,182**	1,182
– 212,145,300 deferred shares of 1⁄8p each	**265**	265
	1,447	1,447

	Shares in issue 31.3.14 Number	**Share capital 31.3.14 £000**	Shares in issue 31.3.13 Number	Share capital 31.3.13 £000
Ordinary shares				
At 1 April and 31 March	**118,137,522**	**1,182**	118,137,522	1,182
Deferred shares				
At 1 April and 31 March	**212,145,300**	**265**	212,145,300	265

The Group's capital management objectives are:
– to ensure the Group's ability to continue as a going concern; and,
– to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure. It manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Capital is defined as being issued share capital, retained earnings, revaluation reserve and other reserves (2014: £333,977,000; 2013: £246,220,000). The Group continually monitors its gearing level to ensure that it is appropriate. Gearing increased from 88% to 92% in the year due to the Group selling some of its non-core properties.

The deferred shares were issued on 23 December 2004 to those shareholders electing to receive a dividend, rather than a capital repayment or further shares in the Company, as part of the Return of Cash approved by shareholders on 20 December 2004. The deferred shares carry no voting rights and have no right to a dividend or capital payment in the event of a winding up of the Company.

The Company's Articles of Association give the Company irrevocable authority to purchase all or any of the deferred shares for a maximum aggregate total of 1 penny for all deferred shares in issue on the date of such purchase.

25. Share options

At 31 March 2014 and at 31 March 2013 there were 46,284 unexercised options over new ordinary 1p shares in the Company. No options over purchased ordinary 1p shares held by the ESOP had been granted to Directors and employees under the Company's share option schemes (31 March 2013: nil).

The Company uses a stochastic valuation model to value the share options.

Summary of share options	**Number 31.3.14**	**Weighted average exercise Price 31.3.14**	Number 31.3.13	Weighted average exercise price 31.3.13
At 1 April	**34,713**	**259.25**	34,713	259.25
Options granted in prior years not previously recognised	**11,571**	**259.25**	–	–
At 31 March	**46,284**	**259.25**	34,713	259.25

The share option awards outstanding at 31 March 2014 had a weighted average remaining contractual life of three months.

The outstanding share options are all exercisable at 259.25p per share.

26. Share–based payments

The Group provides share-based payments to employees in the form of performance share plan awards and a share incentive plan. The Company uses a stochastic valuation model and the resulting value is amortised through the Income Statement over the vesting period of the share-based payments.

Performance share plan awards	**Awards**	**2014 Weighted average award value**	Awards	2013 Weighted average award value
Outstanding at beginning of period	**9,310,162**	**211p**	7,230,850	277p
Awards lapsed during the period	**(2,368,701)**	**276p**	(2,133,222)	300p
Awards made during the period	**2,779,914**	**244p**	4,212,534	167p
Outstanding at end of period	**9,721,375**	**215p**	9,310,162	211p

The performance share plan awards outstanding at 31 March 2014 had a weighted average remaining contractual life of one year three months.

The inputs into the stochastic model of valuation of the PSP awards made in the year to 31 March 2014 were as follows:

	2014	2013	2012
Weighted average share price	**303.2p**	203.4p	215.2p
Weighted average exercise price	**–**	–	–
Expected volatility	**n/a**	n/a	n/a
Expected life	**3 years**	3 years	3 years
Risk free rate	**n/a**	n/a	n/a
Expected dividends	**2.20%**	3.07%	1.88%

The Group recognised a charge of £6,333,000 (2013: £1,864,000) during the year in relation to Share-based payments.

At the balance sheet date there were no exercisable awards.

27. Own shares held

Following approval at the 1997 Annual General Meeting, the Company established the Helical Bar Employees' Share Ownership Plan Trust (the "Trust") to be used as part of the remuneration arrangements for employees. The purpose of the Trust is to facilitate and encourage the ownership of shares by or for the benefit of employees by the acquisition and distribution of shares in the Company.

The Trust purchases shares in the Company to satisfy the Group's obligations under its Share Option Schemes and Performance Share Plan. For this purpose, 250,000 shares (2013: nil) in the Company were purchased during the year at a cost of £950,765 (2013: £nil).

At 31 March 2014, unexercised options over nil (2013: nil) ordinary 1p shares in Helical Bar plc had been granted over shares held by the Trust.

At 31 March 2014, outstanding awards over 9,721,375 (2013: 9,310,162) ordinary 1p shares in Helical Bar plc had been made under the terms of the Performance Share Plan over shares held by the Trust.

At 31 March 2014, the Trust held 1,542,000 shares (2013: 1,292,000).

28. Contingent liabilities

The Company has entered into cross guarantees in respect of the banking facilities of its subsidiaries. These are not considered to have a material value.

Other than these contingent liabilities there were no contingent liabilities at 31 March 2014 for the Group or the Company (2013: £nil).

29. Capital commitments

The Group has a commitment to purchase a property for £19.8m in 2015. A prepayment of £1m is included in Trade and other receivables due after one year.

30. Net assets per share

	31.3.14 £000	**Number of shares 000s**	**31.3.14 pence per share**	31.3.13 £000	Number of shares 000s	31.3.13 pence per share
Net asset value	**340,527**	**118,138**		253,768	118,138	
Less: own shares held by ESOP		**(1,542)**			(1,292)	
deferred shares	**(265)**			(265)		
Basic net asset value	**340,262**	**116,596**	**292**	253,503	116,846	217
Add: share settled bonus		**451**			–	
Add: unexercised share options	**120**	**46**		90	34	
Add: dilutive effect of the Performance Share Plan	**7,124**	**3,578**		3,649	1,824	
Diluted net asset value	**347,506**	**120,671**	**288**	257,242	118,704	217
Adjustment for:						
– fair value of financial instruments	**(243)**			6,048		
– deferred tax	**2,444**			578		
Adjusted diluted net asset value	**349,707**	**120,671**	**290**	263,868	118,704	222
Adjustment for:						
– fair value of trading and development properties	**27,479**			49,865		
Diluted EPRA net asset value	**377,186**	**120,671**	**313**	313,733	118,704	264
Adjustment for:						
– fair value of financial instruments	**243**			(6,048)		
– deferred tax	**(2,444)**			(578)		
Diluted EPRA triple net asset value	**374,985**	**120,671**	**311**	307,107	118,704	259

The net asset values per share have been calculated in accordance with the best practice recommendations of the European Public Real Estate Association (“EPRA”).

The adjustments to the net asset value comprise the amounts relating to the Group and its share in joint ventures.

31. Related party transactions

At 31 March 2014 and 31 March 2013 the following amounts were due from the Group’s joint ventures.

	At 31.3.14 £000	At 31.3.13 £000
Abbeygate Helical (Leisure Plaza) Ltd	**–**	2,736
Abbeygate Helical (C4.1) LLP	**–**	–
King Street Developments (Hammersmith) Ltd	**3,050**	2,392
Shirley Advance LLP	**4,723**	4,323
HP Properties Ltd (BVI)	**–**	–
Barts Two Investment Property Ltd	**146**	152
Helical Sosnica Sp. zoo	**11,900**	10,839
207 Old Street Unit Trust	**1,792**	1,757
211 Old Street Unit Trust	**1,701**	1,456
Old St Retail Unit Trust	**719**	684
City Road (Jersey) Ltd	**710**	675
Old Street Holdings LP Ltd	**100**	–

All movements in joint venture balances related to loans repaid and loans advanced.

At 31 March 2014 and 31 March 2013 there were the following balances between the Company and its subsidiaries.

	At 31.3.14 £000	At 31.3.13 £000
Amounts due from subsidiaries	**470,119**	304,392
Amounts due to subsidiaries	**232,788**	152,435

During the years to 31 March 2014 and 31 March 2013 there were the following transactions between the Company and its subsidiaries:

	Year ended 31.3.14 £000	Year ended 31.3.13 £000
Management charges receivable	**8,372**	3,480
Management charges payable	**6,116**	83
Interest receivable	**2,837**	1,574
Interest payable	**–**	–

Management charges relate to the performance of management services for the Company or its subsidiaries. Interest receivable relates to interest on loans made by the Company to its subsidiaries. All of these transactions, and the year-end balance sheet amounts arising from these transactions were conducted on an arm's length basis and on normal commercial terms. Amounts owed by subsidiaries to the Company are identified in note 19. Amounts owed to subsidiaries by the Company are identified in note 21.

Appendix 1 – See-through analysis

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures results into a 'See-through' analysis of our property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

See-through net rental income and property overheads

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures are shown in the table below.

		2010 £000	2011 £000	2012 £000	2013 £000	**2014** **£000**
Gross rental income	– subsidiaries	18,881	18,590	23,058	25,816	**29,994**
	– joint ventures	1,106	5,531	6,645	6,193	**6,601**
Total gross rental income		19,987	24,121	29,703	32,009	**36,595**
Rents payable	– subsidiaries	(12)	(24)	(418)	(342)	**(476)**
	– joint ventures	(406)	(1,000)	(848)	(802)	**(625)**
Property overheads	– subsidiaries	(3,732)	(3,662)	(3,938)	(5,186)	**(4,328)**
	– joint ventures	-	(941)	(737)	(510)	**(539)**
Net rental income attributable to profit share partner		(986)	(717)	(826)	(710)	**(788)**
See-through net rental income		14,851	17,777	22,936	24,459	**29,839**

See-through net development profits

Helical's share of development profits from property assets held in subsidiaries and in joint ventures are shown in the table below.

	2010 £000	2011 £000	2012 £000	2013 £000	**2014** **£000**
In parent and subsidiaries	8,748	(1,729)	5,166	7,616	**62,273**
In joint ventures	430	-	-	-	**2,199**
Total gross development profit	9,178	(1,729)	5,166	7,616	**64,472**
Provision against stock	(10,041)	(14,913)	(4,511)	(660)	**552**
See-through development profits	(863)	(16,642)	655	6,956	**65,024**

See-through net gain on sale and revaluation of investment properties

		2010 £000	2011 £000	2012 £000	2013 £000	**2014** **£000**
Revaluation surplus on investment properties	– subsidiaries	13,104	2,670	3,664	3,723	**20,714**
	– joint ventures	-	798	581	3,109	**15,710**
Total revaluation surplus		13,104	3,468	4,245	6,832	**36,424**
Net gain/(loss) on sale of investment properties	– subsidiaries	(4,909)	4,842	(376)	(2,388)	**8,611**
	– joint ventures	-	-	-	-	**(31)**
Total net gain/(loss) on sale of investment properties		(4,909)	4,842	(376)	(2,388)	**8,580**
See-through net gain on sale and revaluation of investment properties		8,195	8,310	3,869	4,444	**45,004**

See-through net finance costs

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings and cash deposits in subsidiaries and in joint ventures are shown in the table below.

		2010 £000	2011 £000	2012 £000	2013 £000	**2014 £000**
Interest payable on bank loans and overdrafts	– subsidiaries	10,956	9,690	10,808	10,445	**14,298**
	– joint ventures	492	1,704	2,223	2,269	**3,051**
Total interest payable on bank loans and overdrafts		11,448	11,394	13,031	12,714	**17,349**
Other interest payable and similar charges	– subsidiaries	1,568	1,481	901	1,658	**2,520**
Interest capitalised	– subsidiaries	(3,196)	(4,179)	(3,300)	(2,526)	**(2,835)**
Total finance costs		9,820	8,696	10,632	11,846	**17,034**
Interest receivable and similar income	– subsidiaries	(1,039)	(652)	(583)	(887)	**(4,135)**
	– joint ventures	(2)	(11)	(12)	(66)	**(539)**
See-through net finance costs		8,779	8,033	10,037	10,893	**12,360**

See-through property portfolio

Helical's share of the investment, trading and development property portfolio in subsidiaries and joint ventures are shown in the table below.

		2010 £000	2011 £000	2012 £000	2013 £000	**2014 £000**
Investment property	– subsidiaries	219,901	271,876	326,876	312,026	**493,201**
	– joint ventures	45,300	65,870	67,187	94,962	**107,504**
Total investment property		265,201	337,746	394,063	406,988	**600,705**
Trading and development stock	– subsidiaries	182,576	147,542	99,741	92,874	**98,160**
	– joint ventures	14,346	14,434	44,324*	76,698*	**75,368***
Total trading and development stock		196,922	161,976	144,065	169,572	**173,528**
Trading and development stock surplus	– subsidiaries	32,991	32,436	33,107	48,837	**25,719**
	– joint ventures	-	-	1,435	1,028	**1,760**
Total trading and development stock surpluses		32,991	32,436	34,542	49,865	**27,479**
Total trading and development stock		229,913	194,412	178,607	219,437	**201,007**
See-through property portfolio		495,114	532,158	572,670	626,425	**801,712**

*Trading and development stock of joint ventures includes the Group's share of development stock of Helical Sosnica Sp. Zoo (see note 16).

See-through net borrowings

Helical's share of borrowings and cash deposits in parent and subsidiaries and joint ventures are shown in the table below.

		2010 £000	2011 £000	2012 £000	2013 £000	**2014 £000**
In parent and subsidiaries	– gross borrowings less than one year	72,459	37,500	59,203	39,295	**1,275**
	– gross borrowings more than one year	170,229	199,917	203,992	220,446	**374,811**
	Total	242,688	237,417	263,195	259,741	**376,086**
In joint ventures	– gross borrowings less than one year	1,852	3,100	1,500	720	**12,453**
	– gross borrowings more than one year	27,900	36,936	54,342*	72,509*	**60,134***
	Total	29,752	40,036	55,842	73,229	**72,587**
In parent and subsidiaries	Cash and cash equivalents	(39,800)	(31,327)	(35,411)	(36,863)	**(63,237)**
In joint ventures	Cash and cash equivalents	(3,958)	(4,138)	(3,627)	(9,793)	**(15,792)**
See-through net borrowings		228,682	241,988	279,999	286,314	**369,644**

*Gross borrowings in joint ventures include the Group's share of borrowings of Helical Sosnica Sp. Zoo (see note 16).

Appendix 2 – See-through Analysis Ratios

Interest cover	31.03.10 £000	31.03.11 £000	31.03.12 £000	31.03.13 £000	**31.03.14** **£000**
Net rental income	14,851	17,777	22,936	24,459	**29,839**
Trading profits/(losses)	(10)	(367)	–	(1)	**252**
Development profits (before provisions)	8,748	(1,729)	5,166	7,616	**64,472**
Gain/(loss) on sale of investment properties	(4,909)	4,842	(376)	(2,388)	**8,611**
Net operating income	18,680	20,523	27,726	29,686	**103,174**
Finance costs	8,779	8,033	10,037	10,893	**12,366**
Interest cover	2.1x	2.6x	2.8x	2.7x	**8.3x**
Balance sheet					
Property portfolio	495,114	532,158	572,670	626,425	**801,712**
Net borrowings	228,682	241,988	279,999	286,314	**369,644**
Shareholders’ funds	242,607	255,397	253,730	253,768	**340,527**
Loan to value	46%	45%	49%	46%	**46%**
Gearing	94%	95%	110%	113%	**109%**

Appendix 3 – Five Year Review

Income Statements

	IFRS 31.3.10 £000	IFRS 31.3.11 £000	IFRS 31.3.12 £000	IFRS 31.3.13 £000	**IFRS 31.3.14 £000**
Revenue	67,354	119,059	52,968	65,439	**123,637**
Net rental income	14,151	14,187	17,876	19,578	**24,402**
Development profit/(loss)	8,748	(1,729)	5,166	7,616	**62,273**
Provisions against stock	(10,041)	(14,913)	(4,511)	(660)	**552**
Trading profit/(loss)	(10)	(367)	–	(1)	**252**
Share of results of joint ventures	3,745	2,886	2,472	3,854	**16,448**
Other income/(expense)	26	(358)	113	(547)	**230**
Gross profit/(loss) before gain/(loss) on investment properties	16,619	(294)	21,116	29,840	**104,157**
Gain/(loss) on sale of investment properties	(4,909)	4,842	(376)	(2,388)	**8,611**
Revaluation surplus/(deficit) on investment properties	13,104	2,670	3,664	3,723	**20,714**
Gain on sale of investments	–	–	–	–	**–**
Impairment of available-for-sale investments	–	(1,817)	–	–	**(88)**
Administrative expenses excluding performance related awards	(7,202)	(7,312)	(7,385)	(8,092)	**(8,816)**
Performance related awards	(1,478)	(262)	(415)	(6,828)	**(17,860)**
Loss on sale of subsidiary	–	–	–	–	**–**
Finance costs	(9,328)	(6,992)	(8,409)	(9,577)	**(13,983)**
Finance income	1,039	652	583	887	**4,135**
Movement in fair value of derivative financial instruments	1,157	1,776	(306)	(2,573)	**5,312**
Foreign exchange (losses)/gains	(1,127)	(67)	(1,064)	17	**(501)**
Profit/(loss) before tax	7,875	(6,280)	7,408	5,009	**101,681**
Tax	1,711	2,391	158	815	**(14,126)**
Profit/(loss) after tax	9,586	(3,889)	7,566	5,824	**87,555**

Balance Sheets

	IFRS 31.3.10 £000	IFRS 31.3.11 £000	IFRS 31.3.12 £000	IFRS 31.3.13 £000	**IFRS 31.3.14 £000**
Investment portfolio	219,901	271,876	326,876	312,026	**493,201**
Land, developments and trading properties	182,576	147,542	99,741	92,874	**98,160**
Group’s share of investment properties held by joint ventures	45,300	65,870	67,187	94,962	**107,504**
Group’s share of land, trading and development properties held by joint ventures	14,346	14,434	15,709	23,797	**27,165**
Group’s share of total properties	462,123	499,722	509,513	523,659	**726,030**
Net debt	202,958	206,090	227,784	222,878	**312,849**
Group’s share of net debt of joint ventures	25,794	35,898	36,409	38,521	**27,050**
Shareholders’ funds	242,607	255,397	253,730	253,768	**340,527**
Dividend per ordinary share	7.25p	2.00p	4.90p	5.25p	**5.70p**
Special dividend per ordinary share	–	–	–	–	**–**
Diluted EPRA earnings/(loss) per ordinary share	2.9p	(6.4p)	3.4p	2.4p	**31.7p**
Diluted adjusted EPRA net assets per share	272p	253p	250p	264p	**313p**

Appendix 4 – Property Portfolio

Investment Portfolio
London offices

Address	Description	Area sq ft (NIA)	Vacancy rate
Shepherds Building, Shepherds Bush, London W14	Multi-let office building. Let to media companies	151,000	1.46%
Barts Square, London EC1	NHS buildings with planning consent for 225,500 sq ft office, 215 residential apartments and 21,800 sq ft retail/leisure	420,000	4.25%
The Bower, 207 Old Street, London, EC1	Office and retail buildings undergoing refurbishment and extension	284,000	56.0%
New Loom House, London E1	Multi-let office building soon to undergo refurbishment	112,000	23.5%
Maple House, London EC1	Office refurbishment scheme due for completion in June 2015	50,000	100%
Artillery Lane, London E1	17,000 sq ft office building with refurbishment potential	17,000	8.91%
Clifton Street, London EC2	Contract to buy a newly constructed office building following completion in summer 2015	43,000	n/a
Enterprise House, London W2	Office building let to Network Rail for 20 years	45,000	0.00%
One King Street, London W6	Recently refurbished office and retail building adjacent to Hammersmith Broadway	35,000	0.00%
The Powerhouse, Chiswick, London W4	Single let music recording/office building	24,000	0.00%
		1,181,000	

Regional offices

Address	Description	Area sq ft (NIA)	Vacancy rate
Churchgate and Lee House, Manchester	Multi-let city centre office building with refurbishment and asset management potential	250,000	27.38%
Fordham, Newmarket	Single let research and development facility	70,000	0.00%
The Hub, Pacific Quay, Glasgow	Multi-let office building	60,000	6. 57%
Manor Royal, Crawley	Single let office building	48,000	0.00%
Manor Park, Reading	Office building let to Thames Water	36,000	0.00%
Phoenix House, Oldham	Offices let to the Secretary of State	60,000	0.00%
Osprey House, Castle Donnington	Offices let to National Grid	25,000	0.00%
Albert Edward House, The Pavillions, Preston	Multi–let office building	39,000	29.9%
St. Mary’s Court, 55 St. Mary’s Road, Sheffield	Single let office building	15,000	0.00%
		603,000	

Industrial

Address	Description	Area sq ft (NIA)	Vacancy rate
Dales Manor Business Park, Sawston, Cambridge	Industrial and office park	19,000	10.66%
Winterhill Industrial Estate, Milton Keynes	Town centre industrial estate	25,000	0.00%
Walkmill Lane, Cannock	Single let warehouse	147,000	0.00%
Unit 1, Centrum 100, Burton Upon Trent	Single let distribution centre	93,000	0.00%
Unit 7 Badby Park, Newnham Drive, Daventry	Single let distribution centre	45,000	0.00%
Aspect, Nottinghamshire Way, West Moor, Doncaster	Single let distribution centre	123,000	0.00%
Sandal Stones Road, Doncaster	Single let warehouse	154,000	0.00%
Meridian South, Leicester	Single let distribution centre	66,000	0.00%
Unit B, Swift Park, Rugby	Single let distribution centre	45,000	0.00%
Calver Quay, Calver Road, Warrington	Two single let warehouses	71,000	0.00%
		788,000	

Retail

Address	Description	Area sq ft (NIA)	Vacancy rate
The Morgan Quarter, Cardiff	Prime retail parade and listed retail arcades with residential above	226,000	4.54%
78-104 Town Square, Basildon	High street retail parade with offices above	54,000	13.91%
The Guineas, Newmarket	Town centre shopping centre	142,000	4.75%
Idlewells Shopping Centre, Sutton in Ashfield	Covered town centre shopping centre	143,000	0.97%
Corby Town Centre, Corby	Town centre including modern shopping centre, original High Street, retail park and residential	781,000	3.80%
Clyde Shopping Centre, Clydebank	Town centre shopping centre	625,000	4.01%
Huddersfield Retail Park, Huddersfield	Retail park	97,000	0.00%
Otford Retail Park, Sevenoaks	Retail park	42,000	0.00%
Ty-glas Road, Cardiff	Single-let DIY store	42,000	0.00%
Upton Road, Birkenhead	Out of town supermarket	16,000	0.00%
Beckett Street, Doncaster	Out of town supermarket	7,000	0.00%
Penny Street, Lancaster	Town centre bank branch	14,000	0.00%
Unicorn Hill, Redditch	Pub let to JD Wetherspoons	12,000	0.00%
		2,201,000	

Development Programme
Offices

Address	Area sq ft (NIA)	Fund/owner	Helical interest	Type of development
Creechurch Place, London EC3	273,000	Helical/HOOPP	100%	Existing building demolished. Starting on site in 2014
St Vincent Street, Glasgow	220,000	M&G Investments	Dev Man	Creation of new office headquarters with local partner
Botleigh Grange, Hedge End Southampton	23,000	Helical	100%	New build regional HQ office
	516,000			

Industrial

Address	Area sq ft (NIA)	Fund/owner	Helical interest	Type of development
Ropemaker Park, Hailsham	3,217	Helical	90%	New build – completed
	3,217			

Retail

Address	Area sq ft (NIA)	Helical interest	Type of development
Parkgate, Shirley, West Midlands	158,000	50%	Consented food store, retail and residential. Construction underway.
C4.1 Milton Keynes	33,000	50%	Remaining retail and office units, part let
Leisure Plaza, Milton Keynes	161,000	50%	Construction of an 80,000 sq ft supermarket, 33,000 retail and the refurbishment of an existing ice-rink
	352,000		

Retirement villages

Address	Units	Helical interest	Type of development
Bramshott Place, Liphook, Hampshire	151	100%	137 units sold, 6 under offer. Construction of all phases completed
Durrants Village, Faygate, Horsham	171	100%	10 units sold, 12 under offer. First phase under construction
Millbrook Village, Exeter	164	100%	First phase under construction, 17 units reserved
Maudslay Park, Great Alne, Warwickshire	150	100%	First phase under construction, 5 units reserved
	636		

Change of use potential

Address	Area	Helical interest	Type of development
Cawston, Rugby	32 acres	100%	Site with planning consent to build 250 open market homes
Arleston, Telford	19 acres	100%	19 acre greenfield site with residential potential
	51 acres		

Developments

Address	Area sq ft (NIA)	Helical interest	Type of development
King Street, Hammersmith, London W6	357,000	50%	Planning permission received for residential, office, retail and leisure scheme
	357,000		

Retail – Poland

Address	Area sq ft (NIA)	Fund/owner	Helical interest	Type of development
Park Handlowy Mlyn, Wroclaw	103,000	Helical	100%	Completed development, fully let
Europa Centralna, Gliwice	720,000	Helical/ Standard Life	50%	Completed development
	823,000			

Appendix 5 – Risk Register

Market

Market risks are risks specific to the economy as a whole and to the property sector.

Risk description	**Mitigation/action**
Property values decline: Current uncertainties in the world economy mean that future performance is difficult to predict	Helical management reviews external data Helical has been active in disposing of non-performing assets and rebalancing its portfolio for the changing market Helical keeps a diversified portfolio to prevent being over-exposed to one sector
Reduced tenant demand for space	Our focus is on buying well let properties in good locations We continue to ensure that vacant space is kept to a minimum
Appropriate timing of investment and divestment decisions	Our management team is highly experienced
Market conditions result in difficulties in divestment of properties at a time when the proceeds are required for new investments	Management constantly reviews the market conditions

Strategic Risk

Strategic risk includes the risk that the Group's business strategy or capital structure results in the Group underperforming the rest of the property sector, or being unable to take advantage of opportunities that may arise.

Risk description	**Mitigation/action**
Group's strategy is inconsistent with market conditions for example: - Asset concentration/lot size impacts on liquidity (e.g. if investments become difficult to sell, does this affect our liquidity?) - Asset concentration/mix creates excessive volatility in property revaluation movements	Management constantly monitors and considers changes to the Group strategy in the light of any changes to market conditions. The management team is very experienced and has a good track record in the property market Due to the small size of the Group and the management team, changes to the strategy can be effected quickly

Financial Risk

The Group is subject to a number of financial risks due to the way in which it is funded.

Risk description	**Mitigation/action**
Accuracy of property valuations	Helical uses external independent valuers and/or members of executive management with extensive experience in the industry. Management maintains regular contact with valuers to understand movements in valuations
Inability to roll over loans	Good relationship with several established lending institutions Borrowing is spread between a number of different institutions We arrange debt repayment dates to spread the maturity profile of bank loans over several years
Availability of bank lending	Funding requirements are regularly reviewed.
Increase in cost of borrowing	Interest rates on 100% loans are hedged Hedging is regularly monitored to ensure that it remains at an appropriate level Use of interest rate swaps and caps where appropriate
Breaching loan covenants	Adherence to loan covenants is closely monitored with reference to both current and forecast compliance
Breaching covenants of the retail bond	Adherence to the retail bond covenants is closely monitored
Insufficient liquidity to take advantage of opportunities	The Group maintains a sufficient level of cash resources or undrawn committed bank facilities Management ensures that cash resources do not fall below current forecasts
Maintaining income streams/tenant default	Tenant covenant strength is considered when making property decisions

	Management maintains dialogue with managing agents and tenants to reduce the risk of unexpected non-payment Management ensures there is no over reliance on individual tenants
Inappropriate capital structure (i.e. too highly geared)	The Group's capital structure and gearing is constantly monitored to ensure that they reflect investment/development intentions and the Board's view on the property cycle
Loss of deposits due to banking counterparty failure	Management ensures that all deposits remain at well capitalised institutions Regular monitoring of financial institutions

People Risk

The Group's continued success is reliant on our management and staff and successful relationships with our joint venture partners.

Risk description	**Mitigation/action**
Succession planning	The Nominations Committee and the Board review succession planning
Lack of the right personnel to ensure the Group's strategy is adhered to	Senior management team is very experienced The Directors monitor staff resources to ensure they are appropriate to any changes in the business
Retention and incentivisation of key personnel	Remuneration is set to attract, motivate and retain high calibre staff Employee turnover is low
Health & safety issues	The Group's Health and Safety policy is updated annually by the Board and reports are reviewed monthly by the Executive Committee and at every Board meeting Use of specialist professional advice Not involved in high risk activities No significant issues reported in the year
Bribery and corruption risk	Anti-bribery policy and procedures are in place which are distributed to all staff. The Board is firmly behind the Group's anti-bribery stance Management identify and monitor projects with a greater exposure to bribery and corruption We avoid doing business in high risk territories

Development Risk

The Group derives a significant part of its results from development activity. Development profits are more likely to be subject to fluctuation due to external factors as they are more opportunistic in nature.

Risk description	**Mitigation/Action**
Inability to add to the current development pipeline	Experienced development team with an excellent track record Good reputation in the property sector
Changes in legislation leading to delays in receiving planning permission	Good relationships with planning consultants and local authorities Management keeps up to date with planning legislation Use of specialist professional advisors
Lack of demand for new property	The Group's strategy is to avoid doing speculative developments
Inability to find suitable contractors/JV partners	Well established network of contractors, joint venture partners and professional advisors As Helical nears the construction of key projects this risk increases
Counterparty risk (contractors, joint venture partners, contract parties)	Management monitors counterparties to review their ability to meet their obligations and to monitor the likelihood that they will become insolvent